

FOR LEGISLATIVE REVIEW

**REGIONAL CENTERS
LOCAL ASSISTANCE ESTIMATE**

**MAY 2007 REVISION
of the
2007-08 BUDGET**



**DEPARTMENT OF
DEVELOPMENTAL SERVICES**

May 14, 2007

Table of Contents

	<u>Page</u>
SECTION A: EXECUTIVE SUMMARY TABLES	
CY 2006-07	A-1 to A-2
BY 2007-08	A-3 to A-4
CY 2006-07 vs. BY 2007-08.....	A-5
PY 2005-06	A-6
SECTION B: EXECUTIVE HIGHLIGHTS	B-1 to B-30
SECTION C: FUTURE FISCAL ISSUES/MAJOR ASSUMPTIONS	C-1 to C-7
SECTION D: CASELOAD	
Comparison Tables	D-1 to D-3
Active Status Caseload Graph	D-4
Early Start Caseload Graph	D-5
Community Caseload Bar Chart	D-6
Autism Caseload Graph	D-7
SECTION E: ESTIMATE METHODOLOGIES	
OPERATIONS	
Staffing	E-1.1 to E-1.14
Federal Compliance	E-2.1 to E-2.5
Projects	E-3.1 to E-3.5
New Major Assumption:	
Department of Social Services' Dual Agency Proposal	E-3.6
Revised Major Assumption:	
Staffing for Self-Directed Home and Community-Based Services (HCBS) Waiver	E-3.7 to E-3.9

Table of Contents (continued)Page**SECTION E: ESTIMATE METHODOLOGIES (continued):****PURCHASE OF SERVICES**

Community Care Facilities	E-4.1 to E-4.3
Medical Facilities	E-5.1 to E-5.3
Day Programs	E-6.1 to E-6.5
Habilitation Services Program	E-7.1 to E-7.10
Transportation	E-8.1 to E-8.3
Support Services	E-9.1 to E-9.4
In-Home Respite	E-10.1 to E-10.5
Out-of-Home Respite	E-11.1 to E-11.4
Health Care	E-12.1 to E-12.4
Miscellaneous	E-13.1 to E-13.5
Increase ICF/DD Bundled Rate	E-14.1 to E-14.2
Cost Containment.....	E-14.3 to E-14.4
New Major Assumption:	
Department of Social Services' Dual Agency Proposal	E-15.1 to E-15.4
Revised Major Assumption:	
Self-Directed Services	E-15.5 to E-15.8

COMMUNITY PLACEMENT PLAN.....	E-16.1 to E-16.15
-------------------------------	-------------------

FUND SOURCES

General Fund	E-17.1 to E-17.2
Reimbursements	
HCBS Waiver.....	E-18.1 to E-18.6
HCBS Waiver Administration.....	E-19.1 to E-19.2
Medicaid Administration.....	E-20.1 to E-20.3
Targeted Case Management (TCM)	E-21.1 to E-21.2
TCM Administration	E-22
Title XX Block Grant	E-23.1 to E-23.2
Self-Directed HCBS Waiver	E-24.1 to E-24.2
Self-Directed HCBS Waiver Administration	E-25.1 to E-25.2
Vocational Rehabilitation/Work Activity Program	E-26
Program Development Fund/Parental Fees	E-27
Self-Directed Services Risk Pool Fund.....	E-28
Developmental Disabilities Services Account.....	E-29
Public Transportation Account.....	E-30

Table of Contents (continued)

	<u>Page</u>
FUND SOURCES (continued)	
Federal Funds	
Early Start Grant	E-31.1 to E-31.3
Foster Grandparent Program.....	E-32
Real Choice Systems Change Grant	E-33
SECTION F: AUXILIARY TABLES, CHARTS AND GRAPHS	
Operations Tables	
CY 2006-07	F-1.1
BY 2007-08.....	F-1.2
POS Summary of Costs	F-2
POS Summary of Utilization Change/Growth and Average Cost Increases	
CY 2006-07	F-3.1
BY 2007-08	F-3.2
CY 2006-07 vs. BY 2007-08	F-3.3
POS Placement Continuation Tables	
CY 2006-07.....	F-4.1
BY 2007-08	F-4.2 to F-4.3
POS Expenditure Bar Charts by Budget Category	F-5.1 to F-5.2
POS Expenditure Graphs	
Transportation.....	F-6
Support Services	F-7
In-Home Respite.....	F-8
Out-of-Home Respite	F-9
Health Care.....	F-10
Miscellaneous	F-11
Reimbursement Table	F-12
Collection of FFP for Contracted Services	F-13 to F-14
Minimum Wage Increases	F-15
SECTION G: AGNEWS CLOSURE UPDATE	G-1 to G-7.4

**2007-08 Governor's Budget to 2007-08 May Revision
Current Year 2006-07**

	2007-08 Governor's Budget CY 2006-07	2007-08 May Revision CY 2006-07	Difference CY 2006-07
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$417,475,000	\$416,309,000	-\$1,166,000
2. Federal Compliance	40,118,000	40,118,000	0
3. Projects	26,152,000	25,527,000	-625,000
4. Operations Total	<u>\$483,745,000</u>	<u>\$481,954,000</u>	<u>-\$1,791,000</u>
B. Purchase of Services (POS)			
1. Community Care Facilities	\$687,852,000	\$681,324,000	-\$6,528,000
2. Medical Facilities	17,807,000	14,086,000	-3,721,000
3. Day Programs	699,779,000	700,781,000	1,002,000
4. Habilitation Services	148,427,000	147,961,000	-466,000
5. Transportation	203,547,000	199,503,000	-4,044,000
6. Support Services	487,550,000	487,790,000	240,000
7. In-Home Respite	165,179,000	170,621,000	5,442,000
8. Out-of-Home Respite	47,546,000	49,513,000	1,967,000
9. Health Care	82,876,000	76,671,000	-6,205,000
10. Miscellaneous	268,308,000	268,941,000	633,000
11. Minimum Wage Increases	(\$26,350,000	(\$26,350,000	(\$0
	in POS Above)	in POS Above)	in POS Above)
12. POS Total (Items 1 through 11)	<u>\$2,808,871,000</u>	<u>\$2,797,191,000</u>	<u>-\$11,680,000</u>
C. Early Start/Part C: Other Agency Costs	<u>\$20,095,000</u>	<u>\$20,095,000</u>	<u>\$0</u>
D. GRAND TOTAL	<u>\$3,312,711,000</u>	<u>\$3,299,240,000</u>	<u>-\$13,471,000</u>
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	905,790,000	914,613,000	8,823,000
2. General Fund - Other	1,234,341,000	1,202,454,000	-31,887,000
B. Reimbursements	<u>\$1,118,606,000</u>	<u>\$1,128,248,000</u>	<u>\$9,642,000</u>
1. Home and Community-Based Services (HCBS) Waiver	755,479,000	757,618,000	2,139,000
2. HCBS Waiver Administration	2,149,000	2,149,000	0
3. Medicaid Administration	12,753,000	13,714,000	961,000
4. Targeted Case Management (TCM)	140,391,000	145,957,000	5,566,000
5. TCM Administration	3,521,000	4,319,000	798,000
6. Title XX Block Grant			
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	0
7. Vocational Rehabilitation	410,000	588,000	178,000
C. Program Development Fund / Parental Fees	<u>\$1,732,000</u>	<u>\$1,267,000</u>	<u>-\$465,000</u>
D. Developmental Disabilities Services Account	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$0</u>
E. Federal Funds	<u>\$52,239,000</u>	<u>\$52,655,000</u>	<u>\$416,000</u>
1. Early Start/Part C Grant	51,783,000	52,161,000	378,000
2. Foster Grandparent Program	456,000	456,000	0
3. Real Choice Systems Change Grant	N/A	38,000	38,000
F. GRAND TOTAL	<u>\$3,312,711,000</u>	<u>\$3,299,240,000</u>	<u>-\$13,471,000</u>

Note: The above amounts EXCLUDE the CY 2006-07 reappropriation of \$37,000 for affordable housing contract.

2006-07 Budget Authority to 2007-08 May Revision
Current Year 2006-07

	Budget Act of 2006	Adjustments to Budget Act of 2006	Adjusted Budget Authority CY 2006-07	Other Adjustments	Final Adjusted Budget Authority CY 2006-07	2007-08 May Revision CY 2006-07	2007-08 May Revision Request CY 2006-07	Change from Budget Act of 2006
I. FUNDING REQUIREMENTS:								
A. Operations								
1. Staffing	\$418,039,000		\$418,039,000		\$418,039,000	\$416,309,000	-\$1,730,000	-\$1,730,000
2. Federal Compliance	39,770,000		39,770,000		39,770,000	40,118,000	348,000	348,000
3. Projects	25,980,000	\$160,000	26,140,000	-\$104,000 a/	26,036,000	25,527,000	-509,000	-453,000
5. Operations Total	\$483,789,000	\$160,000	\$483,949,000	-\$104,000	\$483,845,000	\$481,954,000	-\$1,891,000	-\$1,835,000
B. Purchase of Services (POS)								
1. Community Care Facilities	\$695,566,000	\$9,736,000	\$705,302,000		\$705,302,000	\$681,324,000	-\$23,978,000	-\$14,242,000
2. Medical Facilities	17,610,000		17,610,000		17,610,000	14,086,000	-3,524,000	-3,524,000
3. Day Programs	696,710,000	10,792,000	707,502,000		707,502,000	700,781,000	-6,721,000	-6,721,000
4. Habilitation Services	144,726,000	1,042,000	145,768,000		145,768,000	147,961,000	2,193,000	3,235,000
5. Transportation	209,973,000		209,973,000		209,973,000	199,503,000	-10,470,000	-10,470,000
6. Support Services	461,075,000		461,075,000		461,075,000	487,790,000	26,715,000	26,715,000
7. In-Home Respite	149,152,000	4,756,000	153,908,000		153,908,000	170,621,000	16,713,000	21,469,000
8. Out-of-Home Respite	50,065,000	24,000	50,089,000		50,089,000	49,513,000	-576,000	-552,000
9. Health Care	78,374,000		78,374,000		78,374,000	76,671,000	-1,703,000	-1,703,000
10. Miscellaneous	229,255,000	-\$1,000	229,254,000		229,254,000	268,941,000	39,687,000	39,686,000
11. New Major Assumption Minimum Wage Increases	N/A	(\$26,350,000 in POS Above)	(\$26,350,000 in POS Above)		(\$26,350,000 in POS Above)	(\$26,350,000 in POS Above)	(\$0 in POS Above)	(\$26,350,000 in POS Above)
12. Subtotal (Items 1 through 11)	\$2,732,506,000	\$26,349,000	\$2,758,855,000	\$0	\$2,758,855,000	\$2,797,191,000	\$38,336,000	\$64,685,000
13. Transfer to Developmental Centers	\$0	-\$369,000	-\$369,000	-\$3,208,000	-\$3,577,000	\$0	\$3,577,000	\$0
a. Community Placement Plan Savings	N/A	-369,000	-369,000	-3,208,000 b/	-3,577,000	0	3,577,000	0
b. Other POS Savings	N/A	0	0		0	0	0	0
14. POS Total (Items 12 through 13)	\$2,732,506,000	\$25,980,000	\$2,758,486,000	-\$3,208,000	\$2,755,278,000	\$2,797,191,000	\$41,913,000	\$64,685,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$0	\$20,095,000	\$0	\$20,095,000	\$20,095,000	\$0	\$0
D. GRAND TOTAL	\$3,236,390,000	\$26,140,000	\$3,262,530,000	-\$3,312,000	\$3,259,218,000	\$3,299,240,000	\$40,022,000	\$62,850,000
II. FUND SOURCES:								
A. General Fund Total	\$2,088,359,000	\$18,130,000	\$2,106,489,000	-\$3,350,000	\$2,103,139,000	\$2,117,067,000	\$13,928,000	\$28,708,000
1. General Fund Match	878,593,000	8,010,000	886,603,000		886,603,000	914,613,000	28,010,000	36,020,000
2. General Fund - Other	1,209,766,000	10,120,000	1,219,886,000	-3,350,000	1,216,536,000	1,202,454,000	-14,082,000	-7,312,000
B. Reimbursements	\$1,094,057,000	\$8,010,000	\$1,102,067,000	\$0	\$1,102,067,000	\$1,128,248,000	\$26,181,000	\$34,191,000
1. Home and Community-Based Services (HCBS) Waiver	741,312,000	\$8,010,000	749,322,000		749,322,000	757,618,000	8,296,000	16,306,000
2. HCBS Waiver Administration	2,167,000		2,167,000		2,167,000	2,149,000	-18,000	-18,000
3. Medicaid Administration	13,574,000		13,574,000		13,574,000	13,714,000	140,000	140,000
4. Targeted Case Management (TCM)	127,716,000		127,716,000		127,716,000	145,957,000	18,241,000	18,241,000
5. TCM Administration	2,875,000		2,875,000		2,875,000	4,319,000	1,444,000	1,444,000
6. Title XX Block Grant								
a. Social Services	147,903,000		147,903,000		147,903,000	147,903,000	0	0
b. Temporary Assistance for Needy Families	56,000,000		56,000,000		56,000,000	56,000,000	0	0
7. Vocational Rehabilitation	2,510,000		2,510,000		2,510,000	588,000	-1,922,000	-1,922,000
C. Program Development Fund / Parental Fees	\$1,732,000	\$0	\$1,732,000	\$0	\$1,732,000	\$1,267,000	-\$465,000	-\$465,000
D. Developmental Disabilities Services Account	\$3,000	\$0	\$3,000	\$0	\$3,000	\$3,000	\$0	\$0
E. Federal Funds	\$52,239,000	\$0	\$52,239,000	\$38,000	\$52,277,000	\$52,655,000	\$378,000	\$416,000
1. Early Start/Part C Grant	51,783,000		51,783,000		51,783,000	52,161,000	378,000	378,000
2. Foster Grandparent Program	456,000		456,000		456,000	456,000	0	0
3. Real Choice Systems Change Grant	N/A		N/A	38,000	38,000	38,000	0	38,000
F. GRAND TOTAL	\$3,236,390,000	\$26,140,000	\$3,262,530,000	-\$3,312,000	\$3,259,218,000	\$3,299,240,000	\$40,022,000	\$62,850,000

Note: The above amounts EXCLUDE the following CY 2006-07 reappropriations: \$37,000 for affordable housing contract, and up to \$2,000,000 for CADDIS changes.

a/ Net savings of \$104,000 represents a reduction of \$142,000 in Retirement/Employee Compensation costs for Life Quality Assessments offset by \$38,000 for Real Choice Systems Change Grant.

b/ Represents amount to be transferred to developmental centers, based on the General Fund savings to the Community Placement Plan in CY 2006-07. See Community Placement Plan, Operations and Purchase of Services, CY 2006-07, page E-16.6, footnote b/, for more detail

**2007-08 Governor's Budget to 2007-08 May Revision
Budget Year 2007-08**

	2007-08 Governor's Budget BY 2007-08	2007-08 May Revision BY 2007-08	2007-08 May Revision Request BY 2007-08
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$433,950,000	\$430,642,000	-\$3,308,000
2. Federal Compliance	39,574,000	39,565,000	-9,000
3. Projects	25,828,000	25,711,000	-117,000
4. Major Assumptions			
a. New: DSS Dual Agency Proposal	N/A	-14,000	-14,000
b. Revised: Staffing for Self-Directed Services	1,554,000	1,149,000	-405,000
5. Operations Total	\$500,906,000	\$497,053,000	-\$3,853,000
B. Purchase of Services (POS)			
1. Community Care Facilities	\$769,753,000	\$782,540,000	\$12,787,000
2. Medical Facilities	17,807,000	22,784,000	4,977,000
3. Day Programs	754,226,000	763,414,000	9,188,000
4. Habilitation Services	149,998,000	150,570,000	572,000
5. Transportation	214,558,000	212,418,000	-2,140,000
6. Support Services	550,757,000	551,343,000	586,000
7. In-Home Respite	180,548,000	187,972,000	7,424,000
8. Out-of-Home Respite	48,291,000	54,642,000	6,351,000
9. Health Care	91,396,000	84,526,000	-6,870,000
10. Miscellaneous	311,842,000	318,028,000	6,186,000
11. Increase ICF-DD Bundled Rate	-44,000,000	-44,000,000	\$0
12. Subtotal (Items 1 thru 11)	\$3,045,176,000	\$3,084,237,000	\$39,061,000
13. Major Assumptions			
a. New: DSS Dual Agency Proposal	N/A	\$107,000	\$107,000
b. Revised: Self-Directed Services	-128,000	137,000	265,000
(1) Pre-SDS Cost of SDS Consumers (Savings)	-2,572,000	-1,264,000	1,308,000
(2) SDS Cost of SDS Consumers (Cost)	2,315,000	1,138,000	-1,177,000
(3) Deposit to SDS Risk Pool Fund	129,000	63,000	-66,000
(4) One-Time Transition Costs	N/A	200,000	200,000
14. POS Total (Items 12 thru 13)	\$3,045,048,000	\$3,084,481,000	\$39,433,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. GRAND TOTAL	\$3,566,049,000	\$3,601,629,000	\$35,580,000
II. FUND SOURCES:			
A. General Fund Total	\$2,188,608,000	\$2,224,550,000	\$35,942,000
1. General Fund Match	916,735,000	925,744,000	9,009,000
2. General Fund - Other	1,271,744,000	1,298,743,000	26,999,000
3. SDS Risk Pool a/	129,000	63,000 a/	-66,000
B. Reimbursements	\$1,179,221,000	\$1,194,514,000	\$15,293,000
1. Home and Community-Based Services (HCBS) Waiver	814,166,000	822,507,000	8,341,000
2. HCBS Waiver Administration	2,152,000	2,153,000	1,000
3. Medicaid Administration	13,042,000	14,059,000	1,017,000
4. Targeted Case Management (TCM)	140,463,000	146,023,000	5,560,000
5. TCM Administration	3,521,000	4,319,000	798,000
6. Title XX Block Grant			
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	0
7. Self-Directed HCBS Waiver	787,000	387,000	-400,000
8. Self-Directed HCBS Waiver Administration	777,000	575,000	-202,000
9. Vocational Rehabilitation	410,000	588,000	178,000
C. Program Development Fund / Parental Fees	\$1,732,000	\$1,265,000	-\$467,000
D. Self-Directed Services Risk Pool Fund	(\$129,000)	(\$63,000)	(\$66,000)
E. Developmental Disabilities Services Account	\$0	\$0	\$0
F. Public Transportation Account	\$143,993,000	\$128,806,000	-\$15,187,000
G. Federal Funds	\$52,495,000	\$52,494,000	-\$1,000
1. Early Start/Part C Grant	52,039,000	52,038,000	-1,000
2. Foster Grandparent Program	456,000	456,000	0
H. GRAND TOTAL	\$3,566,049,000	\$3,601,629,000	\$35,580,000

a/ Amount in Item II.A.3. to be transferred to SDS Risk Pool Fund upon passage of the Budget Act of 2007.

**Budget Act of 2006 to 2007-08 May Revision
Budget Year 2007-08**

	Budget Act of 2006 CY 2006-07	2007-08 May Revision BY 2007-08	Difference: Change from Budget Act of 2006
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$418,039,000	\$430,642,000	\$12,603,000
2. Federal Compliance	39,770,000	39,565,000	-205,000
3. Projects	25,980,000	25,711,000	-269,000
4. Major Assumptions			
a. New: DSS Dual Agency Proposal	N/A	-14,000	-14,000
b. Revised: Staffing for Self-Directed Services	N/A	1,149,000	1,149,000
5. Operations Total	\$483,789,000	\$497,053,000	\$13,264,000
B. Purchase of Services (POS)			
1. Community Care Facilities	\$695,566,000	\$782,540,000	\$86,974,000
2. Medical Facilities	17,610,000	22,784,000	5,174,000
3. Day Programs	696,710,000	763,414,000	66,704,000
4. Habilitation Services	144,726,000	150,570,000	5,844,000
5. Transportation	209,973,000	212,418,000	2,445,000
6. Support Services	461,075,000	551,343,000	90,268,000
7. In-Home Respite	149,152,000	187,972,000	38,820,000
8. Out-of-Home Respite	50,065,000	54,642,000	4,577,000
9. Health Care	78,374,000	84,526,000	6,152,000
10. Miscellaneous	229,255,000	318,028,000	88,773,000
11. Increase ICF-DD Bundled Rate	N/A	-44,000,000	-44,000,000
12. Subtotal (Items 1 thru 11)	\$2,732,506,000	\$3,084,237,000	\$351,731,000
13. Major Assumptions			
a. New: DSS Dual Agency Proposal	N/A	\$107,000	\$107,000
b. Revised: Self-Directed Services	N/A	137,000	137,000
(1) Pre-SDS Cost of SDS Consumers (Savings)	N/A	-1,264,000	-1,264,000
(2) SDS Cost of SDS Consumers (Cost)	N/A	1,138,000	1,138,000
(3) Deposit to SDS Risk Pool Fund	N/A	63,000	63,000
(4) One-Time Transition Costs	N/A	200,000	200,000
14. POS Total (Items 12 thru 13)	\$2,732,506,000	\$3,084,481,000	\$351,975,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. GRAND TOTAL	\$3,236,390,000	\$3,601,629,000	\$365,239,000
II. FUND SOURCES:			
A. General Fund Total			
1. General Fund Match	878,593,000	925,744,000	47,151,000
2. General Fund - Other	1,209,766,000	1,298,743,000	88,977,000
3. SDS Risk Pool a/	N/A	63,000 a/	63,000
B. Reimbursements			
1. Home and Community-Based Services (HCBS) Waiver	\$1,094,057,000	\$1,194,514,000	\$100,457,000
2. HCBS Waiver Administration	741,312,000	822,507,000	81,195,000
3. Medicaid Administration	2,167,000	2,153,000	-14,000
4. Targeted Case Management (TCM)	13,574,000	14,059,000	485,000
5. TCM Administration	127,716,000	146,023,000	18,307,000
6. Title XX Block Grant	2,875,000	4,319,000	1,444,000
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	0
7. Self-Directed HCBS Waiver	N/A	387,000	387,000
8. Self-Directed HCBS Waiver Administration	N/A	575,000	575,000
9. Vocational Rehabilitation	2,510,000	588,000	-1,922,000
C. Program Development Fund / Parental Fees	\$1,732,000	\$1,265,000	-\$467,000
D. Self-Directed Services Risk Pool Fund	N/A	(\$63,000)	(\$63,000)
E. Developmental Disabilities Services Account	\$3,000	\$0	-\$3,000
F. Public Transportation Account	N/A	\$128,806,000	\$128,806,000
G. Federal Funds			
1. Early Start/Part C Grant	\$52,239,000	\$52,494,000	\$255,000
2. Foster Grandparent Program	51,783,000	52,038,000	255,000
	456,000	456,000	0
H. GRAND TOTAL	\$3,236,390,000	\$3,601,629,000	\$365,239,000

Note: The above amounts EXCLUDE the following CY 2006-07 reappropriations: \$37,000 for affordable housing contract, and up to \$2,000,000 for CADDIS changes.

a/ Amount in Item II.A.3. to be transferred to SDS Risk Pool Fund upon passage of the Budget Act of 2007.

2007-08 May Revision
Current Year 2006-07 to Budget Year 2007-08

	2007-08 May Revision CY 2006-07	2007-08 May Revision BY 2007-08	Difference
I. BUDGET ITEMS:			
A. Operations			
1. Staffing	\$416,309,000	\$430,642,000	\$14,333,000
2. Federal Compliance	40,118,000	39,565,000	-553,000
3. Projects	25,527,000	25,711,000	184,000
4. Major Assumptions			
a. New: DSS Dual Agency Proposal	N/A	-14,000	-14,000
b. Revised: Staffing for Self-Directed Services	N/A	1,149,000	1,149,000
5. Operations Total	\$481,954,000	\$497,053,000	\$15,099,000
B. Purchase of Services (POS)			
1. Community Care Facilities	\$681,324,000	\$782,540,000	\$101,216,000
2. Medical Facilities	14,086,000	22,784,000	8,698,000
3. Day Programs	700,781,000	763,414,000	62,633,000
4. Habilitation Services	147,961,000	150,570,000	2,609,000
5. Transportation	199,503,000	212,418,000	12,915,000
6. Support Services	487,790,000	551,343,000	63,553,000
7. In-Home Respite	170,621,000	187,972,000	17,351,000
8. Out-of-Home Respite	49,513,000	54,642,000	5,129,000
9. Health Care	76,671,000	84,526,000	7,855,000
10. Miscellaneous	268,941,000	318,028,000	49,087,000
11. Minimum Wage Increases	(\$26,350,000	(\$71,394,000	(\$45,044,000
	in POS Above)	in POS Above)	in POS Above)
12. Increase ICF-DD Bundled Rate	N/A	-44,000,000	-44,000,000
13. Subtotal (Items 1 thru 12)	\$2,797,191,000	\$3,084,237,000	\$287,046,000
14. Major Assumptions			
a. New: DSS Dual Agency Proposal	N/A	\$107,000	\$107,000
b. Revised: Self-Directed Services	N/A	\$137,000	\$137,000
(1) Pre-SDS Cost of SDS Consumers (Savings)	N/A	-1,264,000	-1,264,000
(2) SDS Cost of SDS consumers (Cost)	N/A	1,138,000	1,138,000
(3) Deposit to SDS Risk Pool Fund	N/A	63,000	63,000
(4) One-Time Transition Costs	N/A	200,000	200,000
15. POS Total (Items 13 thru 14)	\$2,797,191,000	\$3,084,481,000	\$287,290,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$0
D. GRAND TOTAL	\$3,299,240,000	\$3,601,629,000	\$302,389,000
II. FUND SOURCES:			
A. General Fund Total	\$2,117,067,000	\$2,224,550,000	\$107,483,000
1. General Fund Match	914,613,000	925,744,000	11,131,000
2. General Fund - Other	1,202,454,000	1,298,743,000	96,289,000
3. SDS Risk Pool a/	0	63,000 a/	63,000
B. Reimbursements	\$1,128,248,000	\$1,194,514,000	\$66,266,000
1. HCBS Waiver	757,618,000	822,507,000	64,889,000
2. HCBS Waiver Administration	2,149,000	2,153,000	4,000
3. Medicaid Administration	13,714,000	14,059,000	345,000
4. Targeted Case Management (TCM)	145,957,000	146,023,000	66,000
5. TCM Administration	4,319,000	4,319,000	0
6. Title XX Block Grant			
a. Social Services	147,903,000	147,903,000	0
b. Temporary Assistance for Needy Families	56,000,000	56,000,000	0
7. Self-Directed HCBS Waiver	0	387,000	387,000
8. Self-Directed HCBS Waiver Administration	0	575,000	575,000
9. Vocational Rehabilitation	588,000	588,000	0
C. Program Development Fund / Parental Fees	\$1,267,000	\$1,265,000	-\$2,000
D. Self-Directed Services Risk Pool Fund	(\$0)	(\$63,000)	(\$63,000)
E. Developmental Disabilities Services Account	\$3,000	\$0	-\$3,000
F. Public Transportation Account	\$0	\$128,806,000	\$128,806,000
F. Federal Funds	\$52,655,000	\$52,494,000	-\$161,000
1. Early Start/Part C Grant	52,161,000	52,038,000	-123,000
2. Foster Grandparent Program	456,000	456,000	0
3. Real Choice Systems Change Grant	38,000	N/A	-38,000
G. GRAND TOTAL	\$3,299,240,000	\$3,601,629,000	\$302,389,000

a/ Amount in Item II.A.3. to be transferred to SDS Risk Pool Fund upon passage of the Budget Act of 2007.

Note: The above amounts EXCLUDE the CY 2006-07 reappropriation of \$37,000 for affordable housing contract.

REGIONAL CENTERS DETAILED FUNDING SUMMARY
Detailed Comparison of Prior Year 2005-06: Budget Act Appropriation vs 2006-07 May Revision

	Budget Act Appropriation PY 2005-06	Proposed Governor's Budget PY 2005-06	Proposed Final Budget PY 2005-06	Chg From Prop Governor's Budget PY 2005-06	Chg From Budget Act Appropriation PY 2005-06
I. BUDGET ITEMS:					
A. Operations					
1. Staffing	\$391,108,000	\$387,869,000	\$385,791,000	-\$2,078,000	-\$5,317,000
2. Federal Compliance	38,223,000	29,149,000	37,349,000	8,200,000	-874,000
3. Projects	33,005,000	26,444,000	27,660,000	1,216,000	-5,345,000
Medicare Part D Rx Drug Benefit			4,866,000	4,866,000	4,866,000
4. New Major Assumptions:					
a. Staffing for IP Waiver for Self-Directed Svc	N/A	1,284,000	0	-1,284,000	0
b. Staffing/Projects for Long Term Common Sense Sense Cost Containment Strategies	N/A	6,229,000	0	-6,229,000	0
c. Capitol People First v. DDS	N/A	122,000	0	-122,000	0
d. Compliance with Home and Community- Based Services Waiver Req'ts	N/A	10,559,000	0	-10,559,000	0
5. Operations Total	\$462,336,000	\$461,656,000	\$455,666,000	-\$5,990,000	-\$6,670,000
B. Purchase of Services (POS)					
1. Community Care Facilities	\$657,644,000	\$662,193,000	\$618,969,000	-\$43,224,000	-\$38,675,000
2. Medical Facilities	13,038,000	20,746,000	12,476,000	-8,270,000	-562,000
3. Day Programs	644,446,000	668,836,000	633,984,000	-34,852,000	-10,462,000
4. Habilitation Services	125,957,000	124,485,000	123,459,000	-1,026,000	-2,498,000
5. Transportation	167,852,000	181,422,000	189,552,000	8,130,000	21,700,000
6. Support Services	412,544,000	415,928,000	397,928,000	-18,000,000	-14,616,000
7. In-Home Respite	152,063,000	175,465,000	143,912,000	-31,553,000	-8,151,000
8. Out-of-Home Respite	40,093,000	46,830,000	46,704,000	-126,000	6,611,000
9. Health Care	62,037,000	64,044,000	66,299,000	2,255,000	4,262,000
10. Miscellaneous	173,111,000	135,846,000	176,374,000	40,528,000	3,263,000
11. Unallocated Reduction	N/A	-7,000,000	In Trends	7,000,000	In Trends
12. Cost Containment:					
a. Revision of Eligibility Definition	-3,482,000	-2,584,000	In Trends	2,584,000	3,482,000
b. Reduced Growth Trend	-11,357,000	In Trends	In Trends	In Trends	11,357,000
13. Subtotal (Items 1 thru 12)	\$2,433,946,000	\$2,486,211,000	\$2,409,657,000	-\$76,554,000	-\$24,289,000
14. Revised Major Assumptions:					
a. Self-Directed Services (SDS)	-\$298,000	-\$298,000	\$0	\$298,000	\$298,000
(1) Pre-SDS Cost of SDS Consumers (Savings)	-5,966,000	-5,966,000	0	5,966,000	5,966,000
(2) SDS Cost of SDS Consumers (Cost)	5,369,000	5,369,000	0	-5,369,000	-5,369,000
(3) Deposit to SDS Risk Pool Fund	299,000	299,000	0	-299,000	-299,000
b. Medicare Part D Rx Drug Benefit	\$4,454,000	\$0	\$1,860,000	\$1,860,000	-\$2,594,000
c. 3% Rate Increase for Providers					
15. New Major Assumptions					
a. 2006-07 November Estimate					
(1) Long Term Common Sense Cost Containment Strategies	N/A	-\$13,973,000	\$0	\$13,973,000	\$0
(2) Delay in Certification of ICFs	N/A	N/A	\$2,481,000	\$2,481,000	\$2,481,000
(3) Medi-Cal Dental Cap for Adults	N/A	N/A	\$22,000	\$22,000	\$22,000
16. Transfer to Developmental Centers					
a. Community Placement Plan Savings	N/A	N/A	\$895,000	\$895,000	\$895,000
b. Other POS Savings	N/A	N/A	\$2,824,000	\$2,824,000	\$2,824,000
17. POS Total (Items 13 through 16)	\$2,438,102,000	\$2,471,940,000	\$2,417,739,000	-\$54,201,000	-\$20,363,000
C. Early Start/Part C: Other Agency Costs	\$20,095,000	\$20,095,000	\$20,095,000	\$0	\$0
D. GRAND TOTAL	\$2,920,533,000	\$2,953,691,000	\$2,893,500,000	-\$60,191,000	-\$27,033,000
II. FUND SOURCES:					
A. General Fund Total					
1. General Fund Match	\$1,868,719,000	\$1,946,624,000	\$1,834,548,000	-\$112,076,000	-\$34,171,000
2. General Fund - Other	782,314,000	735,607,000	789,180,000	53,573,000	6,866,000
	1,086,405,000	1,211,017,000	1,045,368,000	-165,649,000	-41,037,000
B. Reimbursements					
1. HCBS Waiver	\$996,971,000	\$952,147,000	\$1,003,552,000	\$51,405,000	\$6,581,000
2. HCBS Waiver Administration	638,948,000	597,012,000	654,662,000	57,650,000	15,714,000
3. Medicaid Administration	6,543,000	6,433,000	1,451,000	-4,982,000	-5,092,000
4. Targeted Case Management (TCM)	12,365,000	9,191,000	11,939,000	2,748,000	-426,000
5. TCM Administration	127,014,000	123,881,000	126,212,000	2,331,000	-802,000
6. Title XX Block Grant	2,900,000	2,900,000	2,875,000	-25,000	-25,000
a. Social Services	147,903,000	147,903,000	147,903,000	0	0
b. Temporary Assist. For Needy Families	56,000,000	60,000,000	56,000,000	-4,000,000	0
7. Self-Directed HCBS Waiver	1,933,000	1,933,000	0	-1,933,000	-1,933,000
8. Self-Directed HCBS Waiver Administration	855,000	384,000	0	-384,000	-855,000
9. Vocational Rehabilitation	2,510,000	2,510,000	2,510,000	0	0
C. Program Development Fund/Parental Fees	\$1,200,000	\$2,000,000	\$1,732,000	-\$268,000	\$532,000
D. Self-Directed Services Risk Pool Fund	(\$299,000)	(\$299,000)	(\$0)	(\$299,000)	(\$299,000)
E. Developmental Disabilities Services Account	\$69,000	\$0	\$69,000	\$69,000	\$0
F. Federal Funds	\$53,574,000	\$52,920,000	\$53,599,000	\$679,000	\$25,000
1. Early Start/Part C Grant	52,984,000	52,336,000	52,984,000	648,000	0
2. Foster Grandparent Program	431,000	425,000	456,000	31,000	25,000
3. Real Choice Systems Change Grant	159,000	159,000	159,000	0	0
G. GRAND TOTAL	\$2,920,533,000	\$2,953,691,000	\$2,893,500,000	-\$60,191,000	-\$27,033,000

Note: The above amounts EXCLUDE the following FY 2005-06 reappropriations: \$11,115,000 for Agnews Closure CPP costs, \$488,000 for cost containment consultants, and \$163,000 for affordable housing contract.

Executive Highlights

I. CURRENT YEAR (CY) 2006-07 COSTS AND FUND SOURCES

In the current year, it is estimated regional centers will need \$1.8 million less in Operations and \$11.7 million less in Purchase of Services, for a total of \$13.5 million less than projected in the Governor's Budget. Reimbursements are projected to increase by \$9.6 million, resulting in 2006-07 General Fund savings of \$23.1 million as shown in the table below.

CY 2006-07 Costs <i>(in millions)</i>			
	Governor's Budget	May Revision	Difference
Total Costs	\$3,312.7	\$3,299.2	-\$13.5
Operations	483.7	481.9	-1.8
Purchase of Services	2,808.9	2,797.2	-11.7
Early Start - Other Agency Costs	20.1	20.1	0.0
Fund Sources	\$3,312.7	\$3,299.2	-\$13.5
General Fund (GF)	2,140.1	2,117.0	-23.1
GF Match	(905.8)	(914.6)	(8.8)
GF Other	(1,234.3)	(1,202.4)	(-31.9)
Reimbursements	1,118.6	1,128.2	9.6
Program Development Fund	1.7	1.3	-0.4
Federal Funds	52.3	52.7	0.4

Other changes from the Governor's Budget to the May Revision are as follows:

A. Caseload

On January 31, 2007, the community caseload was 211,180, which is 975 less than the Governor's Budget estimate of 212,155 for 2006-07. This mid-year caseload is assumed to be the average for 2006-07 and is used to estimate regional center Operations costs.

CY 2006-07 Caseload <i>as of January 31, 2007</i>			
	Governor's Budget	May Revision	Difference
Total Community Caseload	212,155	211,180	-975
Active Caseload (Age 3 & Older)	185,425	184,595	-830
Early Start (Birth through 2 Years)	26,730	26,585	-145

CY 2006-07 (continued)**B. Total Costs: \$13.5 Million Decrease****1. Operations: \$1.8 Million Decrease****a. Staffing: \$1.2 Million Decrease**

Estimated 2006-07 Staffing costs were revised as shown in the table below:

2006-07 Staffing (in millions)			
	Governor's Budget	May Revision	Difference
(1) Core Staffing	\$413.9	\$413.2	-\$0.7
(2) Intake and Assessment	-4.5	-4.5	0.0
(3) Community Placement Plan (CPP)	19.2	18.7	-0.5
(4) Placement Continuation for Agnews Closure	0.3	0.3	0.0
(5) Unallocated Reduction	-10.6	-10.6	0.0
(6) Cost Containment	-5.9	-5.9	0.0
(7) Medicare Part D Prescription Drug Benefit	2.9	2.9	0.0
(8) Staffing for Collection of FFP for Contracted Services	2.1	2.1	0.0
Total	\$417.4	\$416.2	-\$1.2

Changes reflect the following:

- **Core Staffing:** The \$0.7 million decrease in Core Staffing reflects the change in the community caseload from the Governor's Budget (212,155 consumers projected) to this May Revision (211,180 actual consumers as of January 31, 2007), a decrease of 975 consumers.
- **Community Placement Plan:** The \$0.5 million decrease for the Community Placement Plan is due to 43 fewer placements from Agnews Developmental Center into the community in 2006-07. (See the Agnews Closure fiscal charts on pages B-20 to B-30 of this Section; Section E, CPP, pages E-16.1 to E-16.15; and Section G, Agnews Closure Update, for more information.)

b. Federal Compliance: No Change

Estimated 2006-07 Federal Compliance costs have not changed from the Governor's Budget.

CY 2006-07 (continued)c. Projects: \$0.6 Million Decrease

Estimated 2006-07 Project costs were revised as follows:

2006-07 Projects (in thousands)			
	Governor's Budget	May Revision	Difference
(1) Information Technology	\$5,084	\$4,563	-\$521
(a) Applications Support	2,091	2,308	217
(b) Data Processing	2,993	2,255	-738
(2) Clients' Rights Advocacy Contract	4,694	4,694	0
(3) Life Quality Assessment Contract	4,661	4,519	-142
(4) Direct Support Professional Training	3,582	3,582	0
(5) Office of Administrative Hearings Contract	2,211	2,211	0
(6) Wellness Projects	1,490	1,490	0
(7) Foster Grandparent/Senior Companion Programs	1,149	1,149	0
(8) Special Incident Rptg/Risk Assessment	833	833	0
(9) Expansion of Autistic Spectrum Disorders Initiative	780	780	0
(10) Sherry S. Court Case	534	534	0
(11) Movers Evaluation Contract	600	600	0
(12) Enhancing FFP, Phase II, Consultant	530	530	0
(13) University Enterprises, Inc.	155	155	0
(14) Affordable Housing	90	90	0
(15) Cost Containment	-490	-490	0
(16) Capitol People First v. DDS	246	246	0
(17) Real Choice Systems Change Grant	0	38	38
(18) ProRata	3	3	0
Total	\$26,152	\$25,527	-\$625

Changes reflect the following:

- Information Technology (IT): The \$0.5 million decrease in IT reflects a reduction in data processing costs due to the cancellation of the California Developmental Disabilities Information System (CADDIS).
- Life Quality Assessments: The Department contracts with the State Council on Developmental Disabilities (SCDD) to conduct life quality assessments of consumers served by the regional centers. The \$0.1 million reduction for this item is due to an employee compensation adjustment for SCDD staff.

CY 2006-07 (continued)**2. Purchase of Services (POS): \$11.7 Million Decrease**

Estimated 2006-07 POS costs were revised as shown in the table below:

2006-07 Purchase of Services (in millions)			
POS Category	Governor's Budget	May Revision	Difference
a. Base	\$2,395.7	\$2,385.8	-\$9.9
b. Updated Population, Utilization and Expenditure Data	147.2	181.1	33.9
c. Community Placement Plan (CPP)	69.8	59.5	-10.3
d. Placement/Deflection Continuation	51.7	28.1	-23.6
e. Medical Facility Gap for Resource Development	3.7	1.9	-1.8
f. Medicare Part D Prescription Drug Benefit	4.8	4.8	0.0
g. 3% Provider Rate Increase	70.2	70.2	0.0
h. Medi-Cal Dental Cap for Adults	0.1	0.1	0.0
i. Provider Resources for FFP for Contracted Svcs	1.3	1.3	0.0
j. 2006-07 Legislative Augmentations:	38.0	38.0	0.0
(1) Day Program Wage & Rate Increase	15.8	16.2	0.4
(2) Look-Alike Day Program Wage & Rate Increase	3.3	2.9	-0.4
(3) Supported Employment Program Rate Increase	15.9	15.9	0.0
(4) One-Time Targeted Startup	3.0	3.0	0.0
k. Minimum Wage Increases	26.4	26.4	0.0
l. Transfer to Developmental Centers	In POS above	0.0	0.0
Total	\$2,808.9	\$2,797.2	-\$11.7

Changes reflect the following:

- Base: May Revision base expenditures of \$2.4 billion were estimated using updated expenditure data and input from the regional centers. This update results in a decrease of \$9.9 million.
- Updated Caseload, Utilization and Expenditure Data: Updated caseload and expenditure data through October of 2006 were used to update this projection, resulting in an increase of \$33.9 million.

CY 2006-07 (continued)

- Community Placement Plan: CPP reflects the POS costs for individuals to either be placed from developmental centers (DC) into the community or, for those individuals who have been referred to a DC, to be deflected from potential DC admission. The CPP estimate is comprised of regular CPP and CPP related to the closure of Agnews DC. All CPP costs were updated for 2006-07. The Agnews update reduced costs by \$5.2 million due to 43 fewer placements from Agnews Developmental Center into the community in 2006-07, while updated regular CPP reduced costs by an additional \$5.1 million. Due to the current status of the Agnews closure process and the time required for acquisition and completion of housing, the pace of residents moving into the community is more gradual than originally anticipated. \$3.2 million of this savings is being transferred to the DC budget pursuant to the Budget Act of 2006, Item 4300-101-0001, Provision 1, and Welfare and Institutions Code, Section 4418.25(d), which states that General Funds allocated for CPP that are not used for that purpose may be transferred to the DC budget if their population exceeds the budgeted level.

(See the Agnews Closure fiscal charts on pages B-20 to B-30 of this Section; Section E, pages E-16.1 to E-16.15; and Section G, Agnews Closure Update, for more information.)

- Placement/Deflection Continuation: These costs are for consumers who, under the CPP in the prior year, (a) moved from a DC into the community or (b) were deflected away from placement in a DC. Placement/Deflection Continuation costs were updated, using the regional centers' 2006-07 Sufficiency of Allocation Reports, and reduced by \$23.6 million for this May Revision.
- Medical Facility Gap for Resource Development: Gap is the time period between Department of Health Services' licensure and certification of intermediate care facilities (ICFs), when Medi-Cal does not cover any person's facility costs. Based on recent regional center survey data, these costs are being reduced by \$1.8 million General Fund to reflect the development of fewer ICFs than projected in the Governor's Budget and a reduction in the projected number of gap days.

CY 2006-07 (continued)**C. Fund Sources****1. General Fund: \$13.5 Million Decrease**

The net General Fund need in 2006-07 is expected to decrease by \$23.1 million due to a projected \$13.5 million decrease in Operations and Purchase of Services (described above) and a projected increase of \$9.6 million in reimbursements (as shown below).

2. Reimbursements: \$9.6 Million Increase

Current year 2006-07 reimbursements were revised to reflect updated expenditure and eligibility data as indicated in the following table:

CY 2006-07 Reimbursements <i>(in millions)</i>			
Reimbursement	Governor's Budget	May Revision	Difference
a. Home and Community-Based Services (HCBS) Waiver	\$755.5	\$757.6	\$2.1
b. HCBS Waiver Administration	2.1	2.1	0.0
c. Medicaid Administration	12.8	13.7	0.9
d. Targeted Case Management (TCM)	140.4	146.0	5.6
e. TCM Administration	3.5	4.3	0.8
f. Title XX Block Grant			
(1) Social Services	147.9	147.9	0.0
(2) Temporary Assistance for Needy Families	56.0	56.0	0.0
g. Vocational Rehabilitation	0.4	0.6	0.2
Total	\$1,118.6	\$1,128.2	\$9.6

3. Program Development Fund: \$0.4 Million Decrease

The \$0.4 million reduction represents the most recent information on available funds.

4. Federal Funds: \$0.4 Million Increase

The \$0.4 million increase reflects the most current available data on Early Start grant funds.

II. BUDGET YEAR (BY) 2007-08 COSTS AND FUND SOURCES

The May Revision reflects a total 2007-08 need of \$3.6 billion, an increase of \$35.6 million from the Governor's Budget, as shown in the table below:

BY 2007-08 Costs (in millions)			
	Governor's Budget	May Revision	Difference
Total Costs	\$3,566.0	\$3,601.6	\$35.6
Operations	500.9	497.0	-3.9
Purchase of Services	3,045.0	3,084.5	39.5
Early Start - Other Agency Costs	20.1	20.1	0.0
Fund Sources	\$3,566.0	\$3,601.6	\$35.6
General Fund (GF)	2,188.6	2,224.5	35.9
GF Match	(916.7)	(925.7)	(9.0)
GF Other	(1,271.8)	(1,298.7)	(26.9)
Self-Directed Services Risk Pool	(0.1)	(0.1)	(0.0)
Reimbursements	1,179.2	1,194.5	15.3
Program Development Fund	1.7	1.3	-0.4
Public Transportation Account	144.0	128.8	-15.2
Federal Funds	52.5	52.5	0.0

Other significant changes from the 2007-08 Governor's Budget to the May Revision are as follows:

A. Caseload

The community caseload is estimated to be 219,230 on January 31, 2008, a reduction of 1,370 from the Governor's Budget of 220,600. This estimate is based on actual caseload data through January 31, 2007. This mid-year caseload is assumed to be the average for 2007-08 and is used to estimate regional center Operations costs.

BY 2007-08 Caseload as of January 31, 2008			
	Governor's Budget	May Revision	Difference
Total Community Caseload	220,600	219,230	-1,370
Active Population (Age 3 & Older)	191,975	190,925	-1,050
Early Start (Birth through 2 Years)	28,625	28,305	-320

BY 2007-08 (continued)**B. Total Increase: \$35.6 Million****1. Operations: \$3.9 Million Decrease****a. Staffing: \$3.3 Million Decrease**

Estimated 2007-08 costs for Staffing were revised as follows:

2007-08 Staffing (in millions)			
	Governor's Budget	May Revision	Difference
(1) Core Staffing	\$432.5	\$427.8	-\$4.7
(2) Intake and Assessment	-4.5	-4.5	0.0
(3) Community Placement Plan	19.9	21.4	1.5
(4) Placement Continuation for Agnews Closure	0.4	0.3	-0.1
(5) Unallocated Reduction	-10.6	-10.6	0.0
(6) Cost Containment	-5.9	-5.9	0.0
(7) Staffing for Collection of FFP for Contracted Services	2.2	2.2	0.0
Total	\$434.0	\$430.7	-\$3.3

Changes reflect the following:

- **Core Staffing**: The \$4.8 million decrease in Core Staffing reflects the costs associated with updated population, facility, vendor, and expenditure data.
- **Community Placement Plan**: The \$1.5 million increase in CPP reflects the net updated Operations costs: (1) a \$1.7 million increase for the additional regional center resources needed to place a greater number of consumers from DCs into the community in 2007-08, from 321 placements in the Governor's Budget to 364 placements in May Revision, and (2) a \$0.2 million decrease due to Agnews DC employees moving to community-based services more gradually than originally anticipated because of the additional time required for acquisition and completion of housing. (See the Agnews Closure fiscal charts on pages B-20 to B-30 of this Section; Section E, CPP, pages E-16.1 to E-16.15; and Section G, Agnews Closure Update, for more information.)

BY 2007-08 (continued)

- Placement Continuation for Agnews Closure:

2007-08 Placement Continuation Operations costs for consumers moving from Agnews DC into the community in 2006-07 were reduced by \$0.1 due to the reduction in community placements in 2006-07.

b. Federal Compliance: Minor Decrease

Estimated 2007-08 costs for Federal Compliance are shown in the table below:

2007-08 Federal Compliance (in millions)			
	Governor's Budget	May Revision	Difference
(1) Home and Community-Based Services (HCBS) Waiver	\$21.1	\$21.1	\$0.0
(2) Accelerated HCBS Waiver Enrollments	1.2	1.2	0.0
(3) Compliance w/HCBS Waiver Requirements	9.2	9.2	0.0
(4) Legislative Augmentation: Increase in Case Managers	3.3	3.3	0.0
(5) Targeted Case Management	4.1	4.1	0.0
(6) Nursing Home Reform/Pre-Admission Screening and Resident Review	0.6	0.6	0.0
Total	\$39.5	\$39.5	\$0.0

The following minor adjustments were made:

- Accelerated HCBS Waiver Enrollments: These costs were increased by \$5,000 General Fund due to a projected increase of ten Waiver enrollments in the budget year, from 2,670 to 2,680.
- Legislative Augmentation--Increase in Case Managers: An April 21, 2006 letter from CMS indicated that the State must "review and revise, as needed, its policies to assure that the HCBS Waiver participant to case manager ratio of 62:1 is consistently met." This augmentation by the California Legislature is intended to ensure further compliance. These costs were reduced by \$14,000 to reflect the reduction in case managers in Core Staffing based on updated caseload projections for 2007-08. (See Section E, page E-2.5, for the fiscal detail.)

BY 2007-08 (continued)c. Projects: \$.1 Million Decrease

Estimated 2007-08 costs for Projects were revised as shown in the table below:

2007-08 Projects (in thousands)			
	Governor's Budget	May Revision	Difference
(1) Information Technology	\$5,084	\$4,967	-\$117
(a) Applications Support	2,091	3,167	1,076
(b) Data Processing	2,993	1,800	-1,193
(2) Clients' Rights Advocacy Contract	5,121	5,121	0
(3) Life Quality Assessment Contract	4,739	4,739	0
(4) Direct Support Professional Training	3,582	3,582	0
(5) Office of Administrative Hearings Contract	2,211	2,211	0
(6) Wellness Projects	1,490	1,490	0
(7) Foster Grandparent / Senior Companion Program	1,149	1,149	0
(8) Special Incident Rptg/Risk Assessment	833	833	0
(9) Sherry S. Court Case	534	534	0
(10) Movers Evaluation Contract	600	600	0
(11) Enhancing FFP, Phase II, Consultant	530	530	0
(12) University Enterprises, Inc.	155	155	0
(13) Affordable Housing	90	90	0
(14) Cost Containment	-490	-490	0
(15) Capitol People First v. DDS	0	0	0
(16) Self-Directed Services: Trng & Dev	200	200	0
Total	\$25,828	\$25,711	-\$117

Information Technology changes reflect (a) increases for regional center operational recovery, deferred maintenance resulting from the CADDIS cancellation, and development of a Feasibility Study Report for a new information system, and (b) a decrease in data processing costs due to the cancellation of CADDIS.

BY 2007-08 (continued)d. Major Assumptions: \$0.4 Million Decrease(1) New Major Assumption, DSS' Dual Agency Proposal: Minor Savings

The Department of Social Services (DSS) is responsible for implementation of foster care rates and Adoption Assistance program benefits. As a result of litigation regarding the current rate-setting process for these programs, DSS has revised its rate-setting methodology for the care and supervision of foster and adoptive children receiving services from both county welfare departments and regional centers. The proposed rate methodology will result in estimated 2007-08 regional center Operations savings of approximately \$14,000 General Fund due to an expected decrease in administrative hearings and lawsuits associated with regional centers' level-of-care determinations for county welfare departments. Full-year savings of \$28,000 are expected in 2008-09. (See Section E, page E-3.6, for the fiscal detail.)

In addition, there will be a cost shift to the regional centers for purchase of services and supports. (See pages B-15 to B-16 of this Section and Section E, pages E-15.1 to E-15.4, for information on the POS impact.)

(2) Revised Major Assumption, Staffing for Self-Directed HCBS Waiver: \$0.4 Million Decrease

Originally approved in the 2005-06 Governor's Budget and funded for implementation in 2006-07, the Self-Directed Services (SDS) program will cap individual budgets in exchange for increased control over services. Implementation of SDS has been delayed pending the outcome of CADDIS. Subsequently, it has been determined that CADDIS will not be implemented; instead, modifications to the existing information system will be made to accommodate requirements specifically related to the SDS program. Therefore, this revised major assumption changes the SDS program implementation to begin on March 1, 2008, instead of January 1, 2008. Regional center staff will be phased-in six months prior to the month in which each center implements SDS. Partial-year staffing costs in 2007-08 are estimated to be \$1.1 million (\$0.6 million General Fund), a decrease of \$0.4 million from the Governor's Budget. (See Section E, pages E-3.7 to E-3.9, for the fiscal detail. Also, see page B-16 of this Section and Section E, pages E-15.5 to E-15.8, for the Purchase of Services impact.)

BY 2007-08 (continued)**2. Purchase of Services (POS): \$39.5 Million Increase**

The total POS need is estimated to be \$3 billion, an increase of \$39.5 million from the Governor's Budget. The following table displays historical POS growth since 1996-97:

Historical POS Growth 2007-08 May Revision <i>(Dollars in Thousands)</i>		
Fiscal Year	Actual Expenditures (Excludes Habilitation Services) a/	% Change
1996-97	788,304	12.4%
1997-98	888,675	12.7%
1998-99	1,045,198	17.6%
1999-00	1,229,673	17.6%
2000-01	1,467,815	19.4%
2001-02	1,660,542	13.1%
2002-03	1,826,563	10.0%
2003-04	1,955,509	7.1%
2004-05	2,077,401	6.2%
2005-06	2,243,119 b/	8.0%
2006-07	2,649,230 b/c/	18.1% c/
2007-08	2,933,667 b/d/	10.7% d/

a/ The Habilitation Services program was transferred to DDS from the Department of Rehabilitation in 2004-05. Inclusion of funds for Habilitation Services would misrepresent the percentage change.

b/ Projected.

c/ 6.0% of this increase is due to the impact of the following major increases: (1) \$70.1 million for a 3% Provider Rate Increase, effective 7/1/06, (2) \$38.5 million for legislative augmentations, and (3) \$26.4 million for the Minimum Wage Increase, effective 1/1/07. The remaining 12.1% increase is due to normal growth.

d/ 0.3% of this increase is due to the impact of the following program changes: (1) \$73.6 million for a 3% Provider Rate Increase, effective 7/1/06, (2) \$40.6 million for legislative actions, (3) \$71.4 million for the Minimum Wage Increases, effective 1/1/07 and 1/1/08, and (4) \$44 million savings from the proposed increase in Intermediate Care Facility bundled rate for Transportation and Day Program services. The remaining 10.4% increase is due to normal growth.

BY 2007-08 (continued)

This May Revision includes the fiscal impact of continuing the following cost containment strategies: community care facility service-level freeze, rate freezes for contracted services, community-based day programs, in-home respite service providers, and habilitation services; non-community placement plan start-up suspension; no pass-through of SSI/SSP increases to providers; and the Family Cost Participation Program.

Future Cost Containment: Status of Rate Standardization

- Rate Standardization Project: Through this project, cost containment/ cost avoidance and rate standardization strategies related to selected services whose rates are negotiated will be developed. Regional centers have been surveyed on the use of selected service codes through a multi-year, three-phase survey process. The final phase of the survey process was initiated in January 2006. The Department awarded a consultant contract in November 2005, to provide assistance in analyzing the regional center service code survey data, and other specified service codes, and is evaluating the findings and recommendations. The Department plans to meet with stakeholders in early summer 2007 to review and receive input and comments on draft regulations in response to the consultant's findings. In 2007-08, the Department will pursue additional necessary regulatory changes consistent with this project.
- Supported Living Services (SLS) Rate Standardization: The Department intends to implement revised supported living regulations. These regulations were based on the Department's comprehensive review and analysis of SLS statute and regulation, regional center POS policies for SLS, discussions of the SLS workgroup of the Service Delivery Reform Committee, SLS-related fair hearings for the most recent three years, annual SLS cost and utilization statistics from 1996-97 forward, and information gathering through interviews with staff at seven regional centers and meetings with stakeholders, including Protection and Advocacy, Inc., Supported Living Network, State Council on Developmental Disabilities, Association of Regional Center Agencies, and consumer/parent representatives. The regulations are being implemented for the purpose of cost avoidance. These draft regulations are currently in the formal regulatory review process.

BY 2007-08 (continued)

- a. The following POS items have been revised or added based on updated caseload and expenditure projections or new major assumptions:

2007-08 Purchase of Services (in millions)			
POS Category	Governor's Budget	May Revision	Difference
(1) Base	\$2,725.2	\$2,725.7	\$0.5
(2) Updated Population, Utilization and Expenditure Data	153.2	183.3	30.1
(3) Community Placement Plan (CPP)	93.5	97.2	3.7
(4) Placement/Deflection Continuation	57.7	64.2	6.5
(5) Med Facility Gap for Resource Development	3.7	1.6	-2.1
(6) Medicare Part D Prescription Drug Benefit	4.8	4.8	0.0
(7) 3% Rate Increase for Providers	3.4 a/	3.4 a/	0.0
(8) Medi-Cal Dental Cap for Adults	In base	In Base	N/A
(9) Provider Resources for Collection of FFP for Contracted Services	0.5 b/	0.5 b/	0.0
(10) 2006-07 Legislative Augmentations	2.1 b/	2.6 b/	0.5
(a) Day Program Wage & Rate Increase	0.8 b/	1.1 b/	0.3
(b) Look-Alike Day Program Wage & Rate Increase	0.5 b/	0.5 b/	0.0
(c) Supported Employment Rate Increase	0.8 b/	1.0 b/	0.2
(11) Minimum Wage Increases	45.0 c/	45.0 c/	0.0
(12) Increase ICF-DD Bundled Rate	-44.0	-44.0	0.0
(13) New & Revised Major Assumptions			
(a) New: DSS Dual Agency Proposal	N/A	0.1	0.1
(b) Revised: Self-Directed Services	-0.1	0.1	0.2
Total	\$3,045.0	\$3,084.5	\$39.5

a/ \$70,146,000 is in the Base above.

b/ Current year amounts are in the Base above.

c/ \$26,350,000 is in the Base above.

In addition to updated caseload and expenditure projections, these changes reflect the following:

- **Base:** The 2007-08 base increased by \$0.5 million from the Governor's Budget. This increase reflects the 2006-07 updated base, population, utilization and expenditure data, which is used to calculate the 2007-08 base.
- **Updated Population, Utilization, and Expenditure Data:** Updated caseload and expenditure data through October 2006 were used to update this projection, resulting in an increase of \$30.1 million from the Governor's Budget.

BY 2007-08 (continued)

- Community Placement Plan: CPP reflects the costs to place individuals from DCs into the community and to deflect individuals who have been referred to the DC for potential admission. The CPP estimate is comprised of regular CPP and CPP related to the closure of Agnews DC. The 2007-08 CPP was increased by \$3.7 million to reflect updated regional center plans submitted in January 2007. (See the Agnews Closure fiscal charts on pages B-20 to B-30 of this Section; Section E, pages E-16.1 to E-16.15; and Section G, Agnews Closure Update, for more information.)
- Placement/Deflection Continuation: These costs are for consumers who, under the CPP (including the Agnews Closure Plan) in the prior year, (a) moved from a developmental center into the community or (b) deflected away from placement in a DC. Costs for 2007-08 are preliminarily estimated to increase by \$6.5 million from the Governor's Budget. These costs will be updated in the 2008-09 Governor's Budget and May Revision to reflect regional center expenditure plans.
- Medical Facility Gap for Resource Development: Gap is the time period between Department of Health Services' licensure and certification of intermediate care facilities (ICFs), when Medi-Cal does not cover any person's facility costs. Based on recent regional center survey data, these costs are being reduced by \$2.1 million General Fund to reflect the development of fewer ICFs than projected in the Governor's Budget and a reduction in the projected number of gap days.
- 2006-07 Legislative Augmentations: The 2006-07 augmentations for the Day Program Wage and Rate Increase, and the Supported Employment Rate Increase are reflected in the 2007-08 base, and 2007-08 growth was increased by \$0.5 million for these items, based on updated caseload and expenditure data (see items 10 (a) and (c) in the POS table on page B-14).
- New Major Assumption, DSS' Dual Agency Proposal: DSS is responsible for implementation of foster care rates and Adoption Assistance program benefits. As a result of litigation regarding the current rate-setting process for these programs, DSS has revised its rate-setting methodology for the care and supervision of foster and adoptive children receiving services from both county welfare departments and regional centers. The new methodology would place a rate cap of \$2,006 per month, prospectively, which would ensure that a comprehensive and equitable rate-setting

BY 2007-08 (continued)

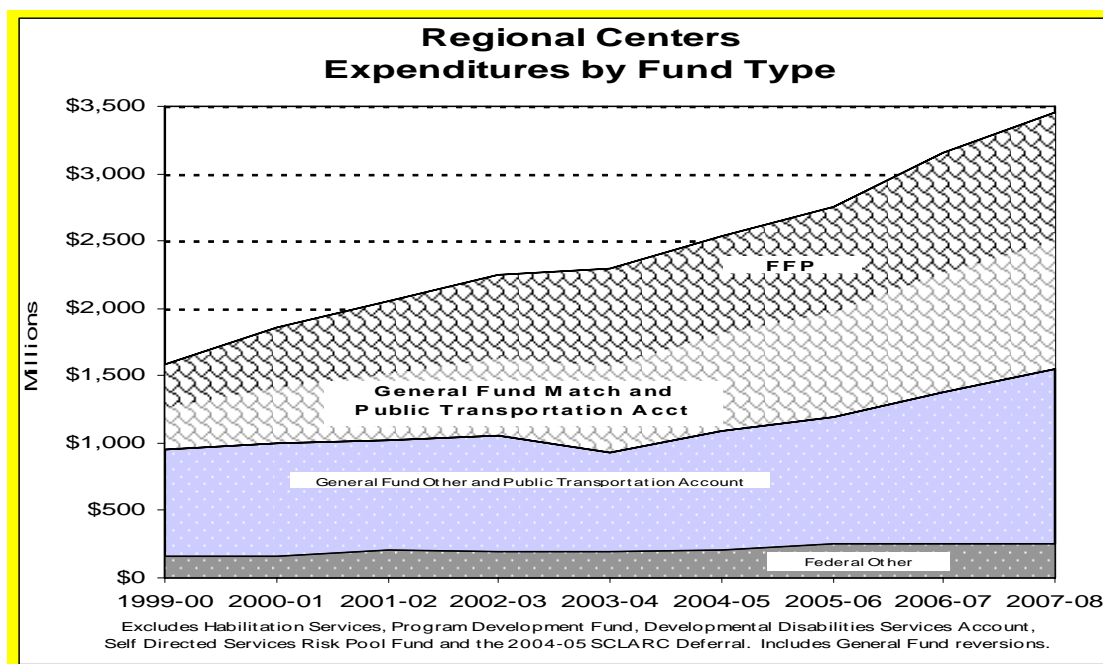
methodology is used throughout the State. There will be a cost shift to the regional centers for services and supports when the rate cap is implemented. The phased-in impact to DDS of this cost shift is estimated to be \$0.1 million (\$74,000 General Fund) in 2007-08. DDS costs for these services are estimated to increase over the next five years to \$0.9 million (\$0.6 million General Fund). (See Section E, pages E-15.1 to 15.4, for more information.)

- Revised Major Assumption, Self-Directed Services: Originally approved in the 2005-06 Governor's Budget and funded for implementation in 2006-07, the Self-Directed Services (SDS) program will cap individual budgets in exchange for increased control over services. Pursuant to Welfare and Institutions Code Section 4685.7, and upon approval by the Centers for Medicare and Medicaid Services of a 1915(c) HCBS Waiver and adoption of state regulations, DDS will implement SDS in all twenty-one regional centers. Implementation of SDS was delayed pending the outcome of CADDIS. Subsequently, it has been determined that CADDIS will not be implemented; instead, modifications to the existing information system will be made to accommodate requirements specifically related to the SDS program. Therefore, this revised major assumption (RMA) changes the SDS program implementation to begin on March 1, 2008, instead of January 1, 2008, and reduces the number from 600 to 400 individuals who will enroll in SDS during 2007-08, reaching a maximum waiver enrollment of approximately 9,380 consumers over a five-year period. The individual budget allocation to consumers will result, in the aggregate, in a cost savings in the State General Fund. All services in the SDS program will be SDHCBS Waiver "billable", resulting in 100 percent of the services allowed to receive federal reimbursement. In addition, this RMA adds funding for one-time, non-annual purchases at an estimated \$500 average per consumer to provide funding for consumers transitioning to SDS for person-centered planning and development of the consumer's individual budget. POS costs are estimated to be \$0.1 million (offset by \$0.1 million General Fund savings) in 2007-08. (See Section E, pages E-15.5 to E-15.8, for detail on the POS component of SDS, and pages E-3.7 to E-3.9, for detail on the Operations component.)

BY 2007-08 (continued)**C. Fund Sources****1. General Fund: \$35.9 Million Increase**

The 2007-08 General Fund need is estimated to increase by \$35.9 million from the Governor's Budget. This increase is the net result of caseload and utilization updates for Operations and POS, new major assumptions, and increases in reimbursements and federal funds.

The following graph, of regional center expenditures by fund type, illustrates the impact of the Department's successful efforts to maximize federal funding in recent years (e.g., increasing the HCBS Waiver population cap, adding services to the HCBS Waiver, and revising the reimbursement methodology for Targeted Case Management services costs). In 1999-00 the federal financial participation (FFP) and the related General Fund match totaled \$0.6 billion, which represented about 39% of the total expenditures. However, in 2007-08, the FFP and the related General Fund match, representing about 55% of the estimated total expenditures, are estimated to more than triple to \$1.9 billion. To summarize, from 1999-00 to 2007-08, the FFP and the related General Fund matching funds increase is estimated to be \$1.3 billion. Correspondingly, the increase in the FFP and the related General Fund match results in the need for less unmatched General Fund, from 50% of regional center funds in 1999-00 to 38% in 2006-07.



BY 2007-08 (continued)**2. Reimbursements: \$15.3 Million Increase**

2007-08 reimbursements have been revised based on updated caseload and expenditure data:

2007-08 Reimbursements (in millions)			
	Governor's Budget	May Revision	Difference
a. Home and Community-Based Services (HCBS) Waiver	\$814.2	\$822.5	\$8.3
b. HCBS Waiver Administration	2.1	2.1	0.0
c. Medicaid Administration	13.0	14.1	1.1
d. Targeted Case Management (TCM)	140.5	146.0	5.5
e. TCM Administration	3.5	4.3	0.8
f. Title XX Block Grant			
(1) Social Services	147.9	147.9	0.0
(2) Temporary Assistance for Needy Families	56.0	56.0	0.0
g. Self-Directed (SD) HCBS Waiver	0.8	0.4	-0.4
h. SDHCBS Waiver Administration	0.8	0.6	-0.2
i. Vocational Rehabilitation	0.4	0.6	0.2
Total	\$1,179.2	\$1,194.5	\$15.3

In addition, the above changes reflect the following:

- HCBS Waiver: This estimate is based on updated HCBS Waiver claims data for the period July through December 2006 and assumes enrollment growth to 74,900 by June 2008, resulting in an increase of \$8.3 million in HCBS Waiver reimbursements.
- Medicaid Administration: This estimate reflects the most current available data, producing an increase of \$1.1 million.
- TCM: This estimate is based on updated TCM expenditure data for the period December 2005 through November 2006, producing an increase of \$5.5 million.
- TCM Administration: This estimate reflects the most current available data, producing an increase of \$0.8 million.
- SDHCBS Waiver: This estimate was reduced by \$0.4 million to reflect the delay in implementation of the SDS program from January 1, 2008 to March 1, 2008.

BY 2007-08 (continued)

- SDHCBS Waiver Administration: This estimate was reduced by \$0.2 million to reflect the delay in implementation of the SDS program from January 1, 2008 to March 1, 2008.
- Vocational Rehabilitation: This estimate was updated to reflect the latest available data, resulting in an increase of \$0.2 million.

3. Program Development Fund: \$0.4 Million Decrease

This estimate was updated to reflect the latest available data, resulting in a decrease of \$0.4 million.

4. Public Transportation Account (PTA): \$15.2 Million Decrease

The regional centers contract with vendors to provide a number of services to consumers, including transportation services provided by public transit, specialized transportation companies, service providers, and families. These services allow individuals with developmental disabilities to participate in services and other activities identified in their Individual Program Plans. PTA funding is being used on a one-time basis in 2007-08 to replace the General Fund share of regional center transportation costs. This estimate of PTA funds is being reduced from \$144.0 million in the Governor's Budget to \$128.8 million in this May Revision, a \$15.2 million decrease. The reduction reflects updated transportation expenditure data and savings due to the proposal titled "Increase ICF/DD, ICF/DD-H & ICF/DD-N Bundled Rate to Include Day Program and non-Medical Transportation," in Section E, pages E-14.1 to E-14.2, of this May Revision.

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2006-07**

		2006-07 Budget Act	2007-08 November Estimate CY 2006-07	Difference	2007-08 May Revision CY 2006-07	Difference	Change from 2006-07 Budget Act
		A	B	B - A	C	C - B	C - A
DEVELOPMENTAL CENTERS							
1.	Agnews Budget Base	Total	\$83,033,000	\$83,033,000	\$0	\$83,033,000	\$0
		<i>General Fund</i>	44,237,000	44,237,000	0	44,237,000	0
		<i>Other</i>	38,796,000	38,796,000	0	38,796,000	0
		PYs	1,057.0	1,057.0	0.0	1,057.0	0.0
		Year Beginning Population	280	280	0	280	0
2.	Placements Into the Community	Total	-\$6,353,000	-\$5,662,000	\$691,000	\$351,000	\$6,013,000
		<i>General Fund</i>	-3,374,000	-3,005,000	369,000	203,000	3,208,000
		<i>Other</i>	-2,979,000	-2,657,000	322,000	148,000	2,805,000
		PYs	-90.0	-82.0	8.0	-16.0	66.0
		Placements	-119	-113	6	-70	43
		Deaths	-6	-6	0	-6	0
3.	Consumer Transfers to Other DCs	Total	\$0	\$0	\$0	\$0	\$0
		<i>General Fund</i>	0	0	0	0	0
		<i>Other</i>	0	0	0	0	0
		Population	0	0	0	0	0
4.	State Employees in the Community	Total	\$9,217,000	\$5,398,000	-\$3,819,000	\$3,758,000	-\$1,640,000
	Clinical Staff (RC Operations)	Subtotal	2,636,000	1,390,000	-1,246,000	1,250,000	-140,000
		<i>Clinical Staff</i>	2,133,000	1,238,000	-895,000	1,098,000	-140,000
		<i>Admin for Clinical Staff</i>	128,000	0	-128,000	0	0
		<i>Operating Expense & Equipment</i>	375,000	152,000	-223,000	152,000	0
	Direct Support Services (RC Purchase of Services)	Subtotal	6,581,000	4,008,000	-2,573,000	2,508,000	-1,500,000
		<i>Direct Support Services</i>	5,325,000	3,544,000	-1,781,000	1,875,000	-1,669,000
		<i>Admin for Direct Support Services</i>	321,000	0	-321,000	0	0
		<i>Operating Expense & Equipment</i>	935,000	464,000	-471,000	633,000	169,000
	Administrative Staff (SDC)	Subtotal	0	0	0	0	0
		<i>Personal Services</i>	0	0	0	0	0
		<i>Operating Expense & Equipment</i>	0	0	0	0	0
		PYs	0.0	0.0	0.0	0.0	0.0
		<i>General Fund</i>	0	0	0	0	0
		<i>Other</i>	9,217,000	5,398,000	-3,819,000	3,758,000	-1,640,000

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2006-07**

		2006-07 Budget Act	2007-08 November Estimate CY 2006-07	Difference	2007-08 May Revision CY 2006-07	Difference	Change from 2006-07 Budget Act
		A	B	B - A	C	C - B	C - A
5. Administrative Staff for Closure	Total	\$0	\$0	\$0	\$0	\$0	\$0
	PYs	0.0	0.0	0.0	0.0	0.0	0.0
	General Fund	0	0	0	0	0	0
	Other	0	0	0	0	0	0
6. Warm Shut Down	Total	\$0	\$0	\$0	\$0	\$0	\$0
	PYs	0.0	0.0	0.0	0.0	0.0	0.0
	General Expenses	0	0	0	0	0	0
	Facilities Operations	0	0	0	0	0	0
	Contracts	0	0	0	0	0	0
	Vehicle Operations	0	0	0	0	0	0
	Utilities	0	0	0	0	0	0
	Staffing	0	0	0	0	0	0
	General Fund	0	0	0	0	0	0
	Other	0	0	0	0	0	0
7. Foster Grandparent/Senior Companion Program	Total	\$0	\$0	\$0	\$0	\$0	\$0
	PYs	0.0	0.0	0.0	0.0	0.0	0.0
	General Fund	0	0	0	0	0	0
	Other	0	0	0	0	0	0
8. Staff Costs for Closure Plan	Total	\$716,000	\$716,000	\$0	\$716,000	\$0	\$0
	Staff Transition Costs	378,000	378,000	0	378,000	0	0
	Overtime for Consumer Transfers and Escort	338,000	338,000	0	338,000	0	0
	Costs for Lump-Sum Buyout	0	0	0	0	0	0
	General Fund	382,000	382,000	0	382,000	0	0
	Other	334,000	334,000	0	334,000	0	0
9. Facility Preparation	Total	\$0	\$0	\$0	\$0	\$0	\$0
	General Fund	0	0	0	0	0	0
	Other	0	0	0	0	0	0
10. Consumer Relocation Costs (moving vans, transportation vehicles, etc.)	Total	\$0	\$0	\$0	\$0	\$0	\$0
	General Fund	0	0	0	0	0	0
	Other	0	0	0	0	0	0
11. Regional Resource Development Projects	Total	\$0	\$0	\$0	\$0	\$0	\$0
	PYs	0.0	0.0	0.0	0.0	0.0	0.0
	General Fund	0	0	0	0	0	0
	Other	0	0	0	0	0	0

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2006-07**

		2006-07 Budget Act	2007-08 November Estimate CY 2006-07	Difference	2007-08 May Revision CY 2006-07	Difference	Change from 2006-07 Budget Act
		A	B	B - A	C	C - B	C - A
12. Agnews Staffing Plan	Total	\$0	\$366,000	\$366,000	\$0	-\$366,000	\$0
	PYs	0.0	5.0	5.0	5.0	0.0	5.0
	<i>General Fund</i>	<i>0</i>	<i>195,000</i>	<i>195,000</i>	<i>0</i>	<i>-195,000</i>	<i>0</i>
	<i>Other</i>	<i>0</i>	<i>171,000</i>	<i>171,000</i>	<i>0</i>	<i>-171,000</i>	<i>0</i>
Total Developmental Centers Costs of Closure		\$86,613,000	\$83,851,000	-\$2,762,000	\$87,858,000	\$4,007,000	\$1,245,000
		PYs 967.0	980.0	13.0	1,046.0	66.0	79.0
		<i>General Fund 41,245,000</i>	<i>41,809,000</i>	<i>564,000</i>	<i>44,822,000</i>	<i>3,013,000</i>	<i>3,577,000</i>
		<i>Other 45,368,000</i>	<i>42,042,000</i>	<i>-3,326,000</i>	<i>43,036,000</i>	<i>994,000</i>	<i>-2,332,000</i>
Year Ending Population		155	161	6	204	43	49
REGIONAL CENTERS							
13. Community Placement Plan	Total	\$8,551,000	\$7,984,000	-\$567,000	\$7,845,000	-\$139,000	-\$706,000
A) Operations							
1. Unified Operations Costs		5,385,000	6,064,000	679,000	6,065,000	1,000	680,000
2. State Employees in the Community		2,636,000	1,390,000	-1,246,000	1,250,000	-140,000	-1,386,000
3. Consultant Services - Tech. Assistance on Housing Issues		280,000	280,000	0	280,000	0	0
4. Evaluation of Licensing Pilots		250,000	250,000	0	250,000	0	0
5. Foster Grandparent/Senior Companion Program		0	0	0	0	0	0
	<i>General Fund</i>	<i>6,764,000</i>	<i>6,993,000</i>	<i>229,000</i>	<i>6,954,000</i>	<i>-39,000</i>	<i>190,000</i>
	<i>Other</i>	<i>1,787,000</i>	<i>991,000</i>	<i>-796,000</i>	<i>891,000</i>	<i>-100,000</i>	<i>-896,000</i>
B) Purchase of Services (POS)	Total	\$23,910,000	\$23,452,000	-\$458,000	\$18,231,000	-\$5,221,000	-\$5,679,000
	Placements	119	113	-6	70	-43	-49
1. Start-up Costs (resource development)		15,608,000	14,567,000	-1,041,000	14,317,000	-250,000	-1,291,000
2. Assessments		0	0	0	5,000	5,000	5,000
3. Placements (property management and lease)		8,302,000	8,885,000	583,000	3,909,000	-4,976,000	-4,393,000
	<i>General Fund</i>	<i>21,577,000</i>	<i>21,215,000</i>	<i>-362,000</i>	<i>17,234,000</i>	<i>-3,981,000</i>	<i>-4,343,000</i>
	<i>Other</i>	<i>2,333,000</i>	<i>2,237,000</i>	<i>-96,000</i>	<i>997,000</i>	<i>-1,240,000</i>	<i>-1,336,000</i>
(FYI: State Employees in the Community costs included in POS above)		(6,581,000)	(4,008,000)	(-2,573,000)	(2,508,000)	(-1,500,000)	(-4,073,000)
Total Community Placement Plan (A+B)	Total	\$32,461,000	\$31,436,000	-\$1,025,000	\$26,076,000	-\$5,360,000	-\$6,385,000
	Placements	119	113	-6	70	-43	-49
	<i>General Fund</i>	<i>28,341,000</i>	<i>28,208,000</i>	<i>-133,000</i>	<i>24,188,000</i>	<i>-4,020,000</i>	<i>-4,153,000</i>
	<i>Other</i>	<i>4,120,000</i>	<i>3,228,000</i>	<i>-892,000</i>	<i>1,888,000</i>	<i>-1,340,000</i>	<i>-2,232,000</i>

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2006-07**

		2006-07 Budget Act	2007-08 November Estimate CY 2006-07	Difference	2007-08 May Revision CY 2006-07	Difference	Change from 2006-07 Budget Act
		A	B	B - A	C	C - B	C - A
14.	Placement Continuation						
A)	Operations						
	Total	\$306,000	\$309,000	\$3,000	\$309,000	\$0	\$3,000
	1. Client Program Coordinators (CPC)	79,000	79,000	0	79,000	0	0
	2. Nurse Consultant	0	0	0	0	0	0
	3. State Employees in the Community	0	0	0	0	0	0
	4. Clinical Staff	0	0	0	0	0	0
	5. Increased Access to Oral Health Care	227,000	230,000	3,000	230,000	0	3,000
	General Fund	130,000	130,000	0	130,000	0	0
	Other	176,000	179,000	3,000	179,000	0	3,000
B)	Purchase of Services (POS)						
	Total	\$17,473,000	\$17,473,000	\$0	\$14,005,000	-\$3,468,000	-\$3,468,000
	Prior Year Placements	63	63	0	40	-23	-23
	Placement Continuation (property management and lease)	17,473,000	17,473,000	0	14,005,000	-3,468,000	-3,468,000
	General Fund	13,412,000	13,731,000	319,000	10,663,000	-3,068,000	-2,749,000
	Other	4,061,000	3,742,000	-319,000	3,342,000	-400,000	-719,000
	(FYI: State Employees in the Community costs included in POS above)	(0)	(0)	(0)	(0)	(0)	(0)
Total Placement Continuation (A+B)		\$17,779,000	\$17,782,000	\$3,000	\$14,314,000	-\$3,468,000	-\$3,465,000
	Prior Year Placements	63	63	0	40	-23	-23
	General Fund	13,542,000	13,861,000	319,000	10,793,000	-3,068,000	-2,749,000
	Other	4,237,000	3,921,000	-316,000	3,521,000	-400,000	-716,000
Total Regional Center Costs of Closure		\$50,240,000	\$49,218,000	-\$1,022,000	\$40,390,000	-\$8,828,000	-\$9,850,000
	General Fund	41,883,000	42,069,000	186,000	34,981,000	-7,088,000	-6,902,000
	Other	8,357,000	7,149,000	-1,208,000	5,409,000	-1,740,000	-2,948,000
GRAND TOTAL - COSTS OF CLOSURE		\$136,853,000	\$133,069,000	-\$3,784,000	\$128,248,000	-\$4,821,000	-\$8,605,000
	PYs	967.0	980.0	13.0	1,046.0	66.0	79.0
	General Fund	83,128,000	83,878,000	750,000	79,803,000	-4,075,000	-3,325,000
	Other	53,725,000	49,191,000	-4,534,000	48,445,000	-746,000	-5,280,000
	Year Ending Population	155	161	6	204	43	49

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
BUDGET YEAR 2007-08**

		2006-07 Budget Act	2007-08 November Estimate BY 2007-08	Difference	2007-08 May Revision BY 2007-08	Difference	Change from 2006-07 Budget Act	
		A	B	B - A	C	C - B	C - A	
DEVELOPMENTAL CENTERS								
1.	Agnews Budget Base	Total	\$83,033,000	\$73,754,000	-\$9,279,000	\$73,754,000	\$0	-\$9,279,000
		General Fund	44,237,000	39,347,759	-4,889,241	39,347,759	0	-4,889,241
		Other	38,796,000	34,406,241	-4,389,759	34,406,241	0	-4,389,759
		PYs	1,057.0	975.0	-82.0	1,046.0	71.0	-11.0
		Year Beginning Population	280	161	-119	204	43	-76
2.	Placements Into the Community	Total	-\$6,353,000	-\$14,949,000	-\$8,596,000	-\$12,722,000	\$2,227,000	-\$6,369,000
		General Fund	-3,374,000	-7,975,000	-4,601,000	-6,787,000	1,188,000	-3,413,000
		Other	-2,979,000	-6,974,000	-3,995,000	-5,935,000	1,039,000	-2,956,000
		PYs	-90.0	-172.5	-82.5	-158.0	14.5	-68.0
		Placements	-119	-145	-26	-188	-43	-69
		Deaths	-6	-6	0	-6	0	0
3.	Consumer Transfers to Other DCs	Total	\$0	-\$430,000	-\$430,000	-\$430,000	\$0	-\$430,000
		General Fund	0	-229,000	-229,000	-229,000	0	-229,000
		Other	0	-201,000	-201,000	-201,000	0	-201,000
		Population	0	-10	-10	-10	0	-10
4.	State Employees in the Community	Total	\$9,217,000	\$9,217,000	\$0	\$9,459,000	\$242,000	\$242,000
	Clinical Staff (RC Operations)	Subtotal	2,636,000	2,636,000	0	1,554,000	-1,082,000	-1,082,000
		Clinical Staff	2,133,000	2,133,000	0	1,432,100	-700,900	-700,900
		Admin for Clinical Staff	128,000	128,000	0	0	-128,000	-128,000
		Operating Expense & Equipment	375,000	375,000	0	121,900	-253,100	-253,100
					0.0		0.0	
	Direct Support Services (RC Purchase of Services)	Subtotal	6,581,000	6,581,000	0	7,663,000	1,082,000	1,082,000
		Direct Support Services	5,325,000	5,325,000	0	6,474,900	1,149,900	1,149,900
		Admin for Direct Support Services	321,000	321,000	0	0	-321,000	-321,000
		Operating Expense & Equipment	935,000	935,000	0	1,188,100	253,100	253,100
	Administrative Staff (SDC)	Subtotal	0	0	0	242,000	242,000	242,000
		Personal Services	0	0	0	218,000	218,000	218,000
		Operating Expense & Equipment	0	0	0	24,000	24,000	24,000
		PYs	0.0	0.0	0.0	3.0	3.0	3.0
		General Fund	0	0	0	129,000	129,000	129,000
		Other	9,217,000	9,217,000	0	9,330,000	113,000	113,000

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
BUDGET YEAR 2007-08**

		2006-07 Budget Act	2007-08 November Estimate BY 2007-08	Difference	2007-08 May Revision BY 2007-08	Difference	Change from 2006-07 Budget Act
		A	B	B - A	C	C - B	C - A
5. Administrative Staff for Closure	Total	\$0	\$0	\$0	\$0	\$0	\$0
	PYs	0.0	0.0	0.0	0.0	0.0	0.0
	General Fund	0	0	0	0	0	0
	Other	0	0	0	0	0	0
6. Warm Shut Down	Total	\$0	\$0	\$0	\$0	\$0	\$0
	PYs	0.0	0.0	0.0	0.0	0.0	0.0
	General Expenses	0	0	0	0	0	0
	Facilities Operations	0	0	0	0	0	0
	Contracts	0	0	0	0	0	0
	Vehicle Operations	0	0	0	0	0	0
	Utilities	0	0	0	0	0	0
	Staffing	0	0	0	0	0	0
	General Fund	0	0	0	0	0	0
	Other	0	0	0	0	0	0
7. Foster Grandparent/Senior Companion Program	Total	\$0	\$0	\$0	\$0	\$0	\$0
	PYs	0.0	0.0	0.0	0.0	0.0	0.0
	General Fund	0	0	0	0	0	0
	Other	0	0	0	0	0	0
8. Staff Costs for Closure Plan	Total	\$716,000	\$4,918,000	\$4,202,000	\$4,918,000	\$0	\$4,202,000
	Staff Transition Costs	378,000	628,000	250,000	828,000	200,000	450,000
	Overtime for Consumer Transfers and Escort	338,000	0	-338,000	496,000	496,000	158,000
	Costs for Lump-Sum Buyout	0	4,290,000	4,290,000	3,595,000	-695,000	3,595,000
	General Fund	382,000	4,625,000	4,243,000	2,624,000	-2,001,000	2,242,000
	Other	334,000	293,000	-41,000	2,294,000	2,001,000	1,960,000
9. Facility Preparation	Total	\$0	\$73,000	\$73,000	\$73,000	\$0	\$73,000
	General Fund	0	39,000	39,000	39,000	0	39,000
	Other	0	34,000	34,000	34,000	0	34,000
10. Consumer Relocation Costs (moving vans, transportation vehicles, etc.)	Total	\$0	\$105,000	\$105,000	\$105,000	\$0	\$105,000
	General Fund	0	56,000	56,000	56,000	0	56,000
	Other	0	49,000	49,000	49,000	0	49,000
11. Regional Resource Development Projects	Total	\$0	\$0	\$0	\$0	\$0	\$0
	PYs	0.0	0.0	0.0	0.0	0.0	0.0
	General Fund	0	0	0	0	0	0
	Other	0	0	0	0	0	0

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
BUDGET YEAR 2007-08**

		2006-07 Budget Act	2007-08 November Estimate BY 2007-08	Difference	2007-08 May Revision BY 2007-08	Difference	Change from 2006-07 Budget Act
		A	B	B - A	C	C - B	C - A
12. Agnews Staffing Plan	Total	\$0	\$731,000	\$731,000	\$731,000	\$0	\$731,000
	PYs	0.0	10.0	10.0	10.0	0.0	10.0
	<i>General Fund</i>	<i>0</i>	<i>390,000</i>	<i>390,000</i>	<i>390,000</i>	<i>0</i>	<i>390,000</i>
	<i>Other</i>	<i>0</i>	<i>341,000</i>	<i>341,000</i>	<i>341,000</i>	<i>0</i>	<i>341,000</i>
Total Developmental Centers Costs of Closure	Total	\$86,613,000	\$73,419,000	-\$13,194,000	\$75,888,000	\$2,469,000	-\$10,725,000
	PYs	967.0	812.5	-154.5	898.0	85.5	-69.0
	<i>General Fund</i>	<i>41,245,000</i>	<i>36,253,759</i>	<i>-4,991,241</i>	<i>35,569,759</i>	<i>-684,000</i>	<i>-5,675,241</i>
	<i>Other</i>	<i>45,368,000</i>	<i>37,165,241</i>	<i>-8,202,759</i>	<i>40,318,241</i>	<i>3,153,000</i>	<i>-5,049,759</i>
Year Ending Population	155	0	-155	0	0	0	-155
REGIONAL CENTERS							
13. Community Placement Plan	Total	\$8,551,000	\$8,619,000	\$68,000	\$8,407,000	-\$212,000	-\$144,000
A) Operations	Total	\$8,551,000	\$8,619,000	\$68,000	\$8,407,000	-\$212,000	-\$144,000
	<i>1. Unified Operations Costs</i>	<i>5,385,000</i>	<i>6,386,000</i>	<i>1,001,000</i>	<i>6,323,000</i>	<i>-63,000</i>	<i>938,000</i>
	<i>2. State Employees in the Community</i>	<i>2,636,000</i>	<i>1,703,000</i>	<i>-933,000</i>	<i>1,554,000</i>	<i>-149,000</i>	<i>-1,082,000</i>
	<i>3. Consultant Services - Tech. Assistance on Housing Issues</i>	<i>280,000</i>	<i>280,000</i>	<i>0</i>	<i>280,000</i>	<i>0</i>	<i>0</i>
	<i>4. Evaluation of Licensing Pilots</i>	<i>250,000</i>	<i>250,000</i>	<i>0</i>	<i>250,000</i>	<i>0</i>	<i>0</i>
	<i>5. Foster Grandparent/Senior Companion Program</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
	<i>General Fund</i>	<i>6,764,000</i>	<i>7,405,000</i>	<i>641,000</i>	<i>7,300,000</i>	<i>-105,000</i>	<i>536,000</i>
	<i>Other</i>	<i>1,787,000</i>	<i>1,214,000</i>	<i>-573,000</i>	<i>1,107,000</i>	<i>-107,000</i>	<i>-680,000</i>
B) Purchase of Services (POS)	Total	\$23,910,000	\$47,124,000	\$23,214,000	\$44,245,000	-\$2,879,000	\$20,335,000
	Placements	119	145	26	188	43	69
	<i>1. Start-up Costs (resource development)</i>	<i>15,608,000</i>	<i>20,647,000</i>	<i>5,039,000</i>	<i>10,933,000</i>	<i>-9,714,000</i>	<i>-4,675,000</i>
	<i>2. Assessments</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
	<i>3. Placements (property management and lease)</i>	<i>8,302,000</i>	<i>26,477,000</i>	<i>18,175,000</i>	<i>33,312,000</i>	<i>6,835,000</i>	<i>25,010,000</i>
	<i>General Fund</i>	<i>21,577,000</i>	<i>39,425,000</i>	<i>17,848,000</i>	<i>32,604,000</i>	<i>-6,821,000</i>	<i>11,027,000</i>
	<i>Other</i>	<i>2,333,000</i>	<i>7,699,000</i>	<i>5,366,000</i>	<i>11,641,000</i>	<i>3,942,000</i>	<i>9,308,000</i>
<i>(FYI: State Employees in the Community costs included in POS above)</i>		<i>(6,581,000)</i>	<i>(7,514,000)</i>	<i>(933,000)</i>	<i>(7,663,000)</i>	<i>(149,000)</i>	<i>(1,082,000)</i>
Total Community Placement Plan (A+B)	Total	\$32,461,000	\$55,743,000	\$23,282,000	\$52,652,000	-\$3,091,000	\$20,191,000
	Placements	119	145	26	188	43	69
	<i>General Fund</i>	<i>28,341,000</i>	<i>46,830,000</i>	<i>18,489,000</i>	<i>39,904,000</i>	<i>-6,926,000</i>	<i>11,563,000</i>
	<i>Other</i>	<i>4,120,000</i>	<i>8,913,000</i>	<i>4,793,000</i>	<i>12,748,000</i>	<i>3,835,000</i>	<i>8,628,000</i>

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
BUDGET YEAR 2007-08**

		2006-07 Budget Act	2007-08 November Estimate BY 2007-08	Difference	2007-08 May Revision BY 2007-08	Difference	Change from 2006-07 Budget Act
		A	B	B - A	C	C - B	C - A
14. Placement Continuation							
A) Operations	Total	\$306,000	\$423,000	\$117,000	\$338,000	-\$85,000	\$32,000
	1. Client Program Coordinators (CPC)	79,000	91,000	12,000	91,000	0	12,000
	2. Nurse Consultant	0	102,000	102,000	17,000	-85,000	17,000
	3. State Employees in the Community	0	0	0	0	0	0
	4. Clinical Staff	0	0	0	0	0	0
	5. Increased Access to Oral Health Care	227,000	230,000	3,000	230,000	0	3,000
	General Fund	130,000	166,000	36,000	142,000	-24,000	12,000
	Other	176,000	257,000	81,000	196,000	-61,000	20,000
B) Purchase of Services (POS)	Total	\$17,473,000	\$43,792,000	\$26,319,000	\$32,485,000	-\$11,307,000	\$15,012,000
	Prior Year Placements	63	113	50	70	-43	7
	Placement Continuation (property management and lease)	17,473,000	43,792,000	26,319,000	32,485,000	-11,307,000	15,012,000
	General Fund	13,412,000	32,980,000	19,568,000	25,215,000	-7,765,000	11,803,000
	Other	4,061,000	10,812,000	6,751,000	7,270,000	-3,542,000	3,209,000
	(FYI: State Employees in the Community costs included in POS above)	(0)	(0)	(0)	(0)	(0)	(0)
Total Placement Continuation (A+B)	Total	\$17,779,000	\$44,215,000	\$26,436,000	\$32,823,000	-\$11,392,000	\$15,044,000
	Prior Year Placements	63	113	50	70	-43	7
	General Fund	13,542,000	33,146,000	19,604,000	25,357,000	-7,789,000	11,815,000
	Other	4,237,000	11,069,000	6,832,000	7,466,000	-3,603,000	3,229,000
Total Regional Center Costs of Closure	Total	\$50,240,000	\$99,958,000	\$49,718,000	\$85,475,000	-\$14,483,000	\$35,235,000
	General Fund	41,883,000	79,976,000	38,093,000	65,261,000	-14,715,000	23,378,000
	Other	8,357,000	19,982,000	11,625,000	20,214,000	232,000	11,857,000
GRAND TOTAL - COSTS OF CLOSURE	Total	\$136,853,000	\$173,377,000	\$36,524,000	\$161,363,000	-\$12,014,000	\$24,510,000
	PYs	967.0	812.5	-154.5	898.0	85.5	-69.0
	General Fund	83,128,000	116,229,759	33,101,759	100,830,759	-15,399,000	17,702,759
	Other	53,725,000	57,147,241	3,422,241	60,532,241	3,385,000	6,807,241
	Year Ending Population	155	0	-155	0	0	-155

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2006-07 TO BUDGET YEAR 2007-08**

		2007-08 May Revision CY 2006-07	2007-08 May Revision BY 2007-08	Change from CY 2006-07 to BY 2007-08
DEVELOPMENTAL CENTERS				
1. Agnews Budget Base	Total	\$83,033,000	\$73,754,000	-\$9,279,000
	<i>General Fund</i>	44,237,000	39,347,759	-4,889,241
	<i>Other</i>	38,796,000	34,406,241	-4,389,759
	PYs	1,057.0	1,046.0	-11.0
	Year Beginning Population	280	204	-76
2. Placements Into the Community	Total	\$351,000	-\$12,722,000	-\$13,073,000
	<i>General Fund</i>	203,000	-6,787,000	-6,990,000
	<i>Other</i>	148,000	-5,935,000	-6,083,000
	PYs	-16.0	-158.0	-142.0
	Placements	-70	-188	-118
	Deaths	-6	-6	0
3. Consumer Transfers to Other DCs	Total	\$0	-\$430,000	-\$430,000
	<i>General Fund</i>	0	-229,000	-229,000
	<i>Other</i>	0	-201,000	-201,000
	Population	0	-10	-10
4. State Employees in the Community	Total	\$3,758,000	\$9,459,000	\$5,701,000
<i>Clinical Staff (RC Operations)</i>	Subtotal	1,250,000	1,554,000	304,000
<i>Clinical Staff</i>		1,098,000	1,432,100	334,100
<i>Admin for Clinical Staff</i>		0	0	0
<i>Operating Expense & Equipment</i>		152,000	121,900	-30,100
<i>Direct Support Services (RC Purchase of Services)</i>	Subtotal	2,508,000	7,663,000	5,155,000
<i>Direct Support Services</i>		1,875,000	6,474,900	4,599,900
<i>Admin for Direct Support Services</i>		0	0	0
<i>Operating Expense & Equipment</i>		633,000	1,188,100	555,100
<i>Administrative Staff (SDC)</i>	Subtotal	0	242,000	242,000
<i>Personal Services</i>		0	218,000	218,000
<i>Operating Expense & Equipment</i>		0	24,000	24,000
	PYs	0.0	3.0	3.0
	<i>General Fund</i>	0	129,000	129,000
	<i>Other</i>	3,758,000	9,330,000	5,572,000
5. Administrative Staff for Closure	Total	\$0	\$0	\$0
	PYs	0.0	0.0	0.0
	<i>General Fund</i>	0	0	0
	<i>Other</i>	0	0	0
6. Warm Shut Down	Total	\$0	\$0	\$0
	PYs	0.0	0.0	0.0
<i>General Expenses</i>		0	0	0
<i>Facilities Operations</i>		0	0	0
<i>Contracts</i>		0	0	0
<i>Vehicle Operations</i>		0	0	0
<i>Utilities</i>		0	0	0
<i>Staffing</i>		0	0	0
	<i>General Fund</i>	0	0	0
	<i>Other</i>	0	0	0
7. Foster Grandparent/Senior Companion Program	Total	\$0	\$0	\$0
	PYs	0.0	0.0	0.0
	<i>General Fund</i>	0	0	0
	<i>Other</i>	0	0	0
8. Staff Costs for Closure Plan	Total	\$716,000	\$4,918,000	\$4,202,000
<i>Staff Transition Costs</i>		378,000	828,000	450,000
<i>Overtime for Consumer Transfers and Escort</i>		338,000	496,000	158,000
<i>Costs for Lump-Sum Buyout</i>		0	3,595,000	3,595,000
	<i>General Fund</i>	382,000	2,624,000	2,242,000
	<i>Other</i>	334,000	2,294,000	1,960,000
9. Facility Preparation	Total	\$0	\$73,000	\$73,000
	<i>General Fund</i>	0	39,000	39,000
	<i>Other</i>	0	34,000	34,000

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2006-07 TO BUDGET YEAR 2007-08**

		2007-08 May Revision CY 2006-07	2007-08 May Revision BY 2007-08	Change from CY 2006-07 to BY 2007-08
10.	Consumer Relocation Costs (Moving vans, transportation vehicles, etc.)	Total General Fund Other \$0 0 0 \$105,000 56,000 49,000 \$105,000 56,000 49,000		
11.	Regional Resource Development Projects	Total PYs General Fund Other \$0 0.0 0 0 \$0 0.0 0 0 \$0 0.0 0 0		
12.	Agnews Staffing Plan	Total PYs General Fund Other \$0 5.0 0 0 \$731,000 10.0 390,000 341,000 \$731,000 5.0 390,000 341,000		
Total Developmental Centers Costs of Closure		Total PYs General Fund Other Year Ending Population \$87,858,000 1,046.0 44,822,000 43,036,000 204 \$75,888,000 898.0 35,569,759 40,318,241 0 -\$11,970,000 -148.0 -9,252,241 -2,717,759 -204		
REGIONAL CENTERS				
13.	Community Placement Plan			
A)	Operations	Total 1. Unified Operations Costs 2. State Employees in the Community 3. Consultant Services - Tech. Assistance on Housing Issues 4. Evaluation of Licensing Pilots 5. Foster Grandparent/Senior Companion Program General Fund Other \$7,845,000 6,065,000 1,250,000 280,000 250,000 0 6,954,000 891,000 \$8,407,000 6,323,000 1,554,000 280,000 250,000 0 7,300,000 1,107,000 \$562,000 258,000 304,000 0 0 346,000 216,000		
B)	Purchase of Services (POS)	Total Placements 1. Start-up Costs (resource development) 2. Assessments 3. Placements (property management and lease) General Fund Other (FYI: State Employees in the Community costs included in POS above) \$18,231,000 70 14,317,000 5,000 3,909,000 17,234,000 997,000 (2,508,000) \$44,245,000 188 10,933,000 0 33,312,000 32,604,000 11,641,000 (7,663,000) \$26,014,000 118 -3,384,000 -5,000 29,403,000 15,370,000 10,644,000 0 (5,155,000)		
Total Community Placement Plan (A+B)		Total Placements General Fund Other \$26,076,000 70 24,188,000 1,888,000 \$52,652,000 188 39,904,000 12,748,000 \$26,576,000 118 15,716,000 10,860,000		
14.	Placement Continuation			
A)	Operations	Total 1. Client Program Coordinators (CPC) 2. Nurse Consultant 3. State Employees in the Community 4. Clinical Staff 5. Increased Access to Oral Health Care General Fund Other \$309,000 79,000 0 0 0 230,000 130,000 179,000 \$338,000 91,000 17,000 0 0 230,000 142,000 196,000 \$29,000 12,000 17,000 0 0 12,000 17,000		
B)	Purchase of Services (POS)	Total Prior Year Placements Placement Continuation (property management and lease) General Fund Other (FYI: State Employees in the Community costs included in POS above) \$14,005,000 40 14,005,000 10,663,000 3,342,000 (0) \$32,485,000 70 32,485,000 25,215,000 7,270,000 (0) \$18,480,000 30 18,480,000 14,552,000 3,928,000 (0)		
Total Placement Continuation (A+B)		Total Prior Year Placements General Fund Other \$14,314,000 40 10,793,000 3,521,000 \$32,823,000 70 25,357,000 7,466,000 \$18,509,000 30 14,564,000 3,945,000		

**PLAN TO CLOSE AGNEWS DEVELOPMENTAL CENTER
FISCAL SUMMARY COMPARISON
CURRENT YEAR 2006-07 TO BUDGET YEAR 2007-08**

		2007-08 May Revision CY 2006-07	2007-08 May Revision BY 2007-08	Change from CY 2006-07 to BY 2007-08
Total Regional Center Costs of Closure		\$40,390,000	\$85,475,000	\$45,085,000
	<i>General Fund</i>	<i>34,981,000</i>	<i>65,261,000</i>	<i>30,280,000</i>
	<i>Other</i>	<i>5,409,000</i>	<i>20,214,000</i>	<i>14,805,000</i>
GRAND TOTAL - COSTS OF CLOSURE		\$128,248,000	\$161,363,000	\$33,115,000
	Total PYs	1,046.0	898.0	-148.0
	<i>General Fund</i>	<i>79,803,000</i>	<i>100,830,759</i>	<i>21,027,759</i>
	<i>Other</i>	<i>48,445,000</i>	<i>60,532,241</i>	<i>12,087,241</i>
	Year Ending Population	204	0	-204

FUTURE FISCAL ISSUES AND MAJOR ASSUMPTIONS

FUTURE FISCAL ISSUES

There are no future fiscal issues to report at this time.

NEW MAJOR ASSUMPTIONS

OPERATIONS AND PURCHASE OF SERVICES

Department of Social Services' Dual Agency Proposal

The California Department of Social Services (CDSS) is responsible for implementation of foster care rates and Adoption Assistance Program (AAP) benefits that are currently based on DDS' residential rate structure. As a result of litigation regarding the current rate-setting process, CDSS has developed a rate-setting methodology for the care and supervision of foster and adoptive children receiving services from both county welfare departments and regional centers. The new rate-setting methodology would place a rate cap of \$2,006 per month prospectively, which would ensure that a comprehensive and equitable rate-setting methodology is used throughout the State. CDSS has notified DDS that the proposed rate structure will be implemented in Trailer Bill language.

There will be a cost shift to the regional centers for services and supports when the rate cap is reduced. Some new foster and adoptive families entering the system will request additional respite and behavioral services from regional centers resulting in a fiscal impact on regional center purchase of services. These services and supports are critical to maintaining children in their foster or adoptive families, thus avoiding costly placements in residential care facilities. Traditionally, foster families have not received respite services through the regional centers. With the change in rate structure, foster families also may request respite services from the regional center. In addition, this change will result in regional center Operations cost savings for fair hearings (approximately ten less fair hearings per year at an average of \$2,800 each).

Change from Prior Estimate: This is a new major assumption beginning in 2007-08.

REVISED MAJOR ASSUMPTION

OPERATIONS AND PURCHASE OF SERVICES

Self-Directed Services (SDS)

DDS seeks to establish the SDS model of funding and service delivery that will cap individual budgets in exchange for increased control over services. Pursuant to Welfare and Institutions Code Section 4685.7 and upon approval by the Centers for Medicare & Medicaid Services (CMS) of a 1915(c) Home and Community-Based Services (HCBS) Waiver, beginning FY 2007-08 DDS will implement SDS in all twenty-one regional centers. The Administration has continued to refine its proposal to implement the SDS program based on input from legislative staff and stakeholders. DDS anticipates a phase-in enrollment of an estimated 400 consumers in the SDS waiver program during the latter portion of the FY 2007-08, reaching a maximum enrollment of approximately 9,500 consumers over a five-year period. The individual budget allocation to consumers will result, in the aggregate, in a cost savings in the State General Fund. Additionally, the SDS program proposes to achieve federal reimbursement for both consumer services (50/50 match), and for administrative effort. All services in the SDS program will be waiver "billable", resulting in 100 percent of the services allowed to receive federal reimbursement.

The CMS in its HCBS waiver application requires states to make assurances regarding strategies to safeguard consumers' health and safety, outreach to prospective participants, and participant access to needed services and supports, including one-time, non-annual purchases to sustain community integration. Moreover, the CMS assurances require mechanisms to safeguard public funds. Statute to implement the SDS program authorizes regional centers to provide advance funding to a participant-selected Financial Management Services (FMS) provider for purchasing services that are identified in the participant's Individual Program Plan/Individual Budget (IPP/IB). The FMS provider, under contract with the regional center, assists participants to appropriately expend IB funds for needed services. Regional centers and DDS will be responsible for ensuring that the FMS appropriately disburses and monitors a consumer's IB allocations.

Change from Prior Estimate: This revised major assumption: (1) reduces the number from 600 to 400 individuals who will enroll in SDS during the latter portion of FY 2007-08, and (2) adds funding for one-time, non-annual purchases at an estimated \$500 average per consumer to provide funding for consumers transitioning to SDS for person-centered planning and development of the consumer's Individual Budget.

UNCHANGED MAJOR ASSUMPTIONS

OPERATIONS

Staffing

- Personal Services
- Operating Expenses
- Staffing for Self-Directed Home and Community-Based Services (HCBS) Waiver
- Medicare Part D Prescription Drug Benefit
- Staffing for Collection of FFP for Contracted Services
- Staffing for Expansion of Autistic Spectrum Disorders Initiative

Federal Compliance

- HCBS Waiver
- Accelerated HCBS Waiver Enrollments
- Compliance with HCBS Waiver Requirements
- Increase in Case Managers
- Targeted Case Management
- Nursing Home Reform

Projects

- Information Technology
- Clients' Rights Advocacy
- Life Quality Assessment
- Direct Support Professional Training
- Administrative Hearings
- Wellness
- Foster Grandparent/Senior Companion
- Special Incident Reporting/Risk Assessment
- Expansion of Autistic Spectrum Disorders Initiative
- Sherry S. Court Case
- Movers' Evaluation
- FFP Enhancement
- University Enterprises, Inc.
- Affordable Housing
- Cost Containment
- Capitol People First v. DDS
- Self-Directed Services: Training and Development
- ProRata

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES

Community Care Facilities

- Base
- SSI/SSP Increases (No Pass Through)
- Utilization Change/Growth
- Average Cost Increase
- Service-Level Freeze
- 3% Provider Rate Increase
- Provider Resources for Collection of FFP for Contracted Services
- Minimum Wage Increases
- Community Placement Plan
- Placement/Deflection Continuation

Medical Facilities

- Base
- Utilization Change/Growth
- Gap Resource Development
- Community Placement Plan
- Placement/Deflection Continuation

Day Programs

- Base
- Utilization Change/Growth
- Average Cost Increase
- Temporary Payment Rate Freeze
- 3% Provider Rate Increase
- Increased Wages and Rates
- Provider Resources for Collection of FFP for Contracted Services
- Minimum Wage Increases
- Community Placement Plan
- Placement Continuation
- Program Days Adjustment

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES (continued)

Habilitation Services Program

- Work Activity Program (WAP)
- Supported Employment Program
- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement Continuation
- Rate Reduction and Rate Freeze
- 3% Provider Rate Increase
- Increased Rates for Supported Employment
- Increased Wages and Rates for WAP
- WAP Minimum Wage Increases

Transportation

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement Continuation
- Rate Freeze
- 3% Provider Rate Increase
- Provider Resources for Collection of FFP for Contracted Services

Support Services

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement/Deflection Continuation
- Independent Living Supplement
- Contracted-Services Rate Freeze
- 3% Provider Rate Increase
- Increased Wages and Rates for Look-Alike Day Programs
- Minimum Wage Increases

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES (continued)

In-Home Respite

- Base
- Utilization Change/Growth
- Community Placement Plan
- Placement/Deflection Continuation
- Family Cost Participation Program
- Rate Freeze
- 3% Provider Rate Increase
- Provider Resources for Collection of FFP for Contracted Services
- Minimum Wage Increases

Out-of-Home Respite

- Base
- Utilization Change/Growth
- 3% Provider Rate Increase
- Community Placement Plan
- Placement/Deflection Continuation
- Family Cost Participation Program
- Provider Resources for Collection of FFP for Contracted Services
- Minimum Wage Increases

Health Care

- Base
- Utilization Change/Growth
- Medi-Cal Dental Cap for Adults
- Medicare Part D Prescription Drug Benefit
- Community Placement Plan
- Placement/Deflection Continuation
- Provider Resources for Collection of FFP for Contracted Services

Miscellaneous

- Base
- Utilization Change/Growth
- Suspension of Non-CPP Start Up
- Contracted-Services Rate Freeze
- 3% Provider Rate Increase
- Targeted Start Up
- Increased Wages and Rates for Look-Alike Day Programs
- Community Placement Plan
- Placement/Deflection Continuation
- Family Cost Participation Program
- Government Claims

UNCHANGED MAJOR ASSUMPTIONS

PURCHASE OF SERVICES (continued)

Self-Directed Services

**Increase ICF/DD, ICF/DD-H & ICF/DD-N Bundled Rate to Include Day Program
and Non-Medical Transportation**

FUND SOURCES

General Fund
HCBS Waiver
HCBS Waiver Administration
Medicaid Administration
Targeted Case Management (TCM)
TCM Administration
Title XX Block Grant
Self-Directed HCBS Waiver
Self-Directed HCBS Waiver Administration
Vocational Rehabilitation
Program Development Fund/Parental Fees
Developmental Disabilities Services Account
Public Transportation Account
Early Start Grant
Foster Grandparent Program

HISTORY OF DISCONTINUED MAJOR ASSUMPTIONS

There are no discontinued major assumptions in the 2007-08 May Revision.

CASELOAD
Current Year 2006-07

	2007-08 Governor's Budget CY 2006-07	2007-08 May Revision CY 2006-07		
	<i>Estimated Caseload as of 1/31/07</i>	<i>Actual Caseload as of 1/31/07</i>	<i>Difference</i>	<i>Percent Change</i>
A. Active Caseload (Age 3 & Older)	185,425	184,595	-830	-0.4%
B. Early Start (Birth through 2 Years)	26,730	26,585	-145	-0.5%
C. Total Community Caseload	212,155	211,180	-975	-0.5%
D. Total Developmental Center (DC) Population	2,860 a/	2,900 a/	40	1.4%
E. Total Regional Center Caseload (C + D)	215,015	214,080	-935	-0.4%

a/ The CY 2006-07 caseload estimate is consistent with the 2007-08 Governor's Budget and 2007-08 May Revision for the DC Population, which reflects the following:

	<u>07-08 Governor's Budget</u>	<u>07-08 May Revision</u>	
Average Total Population	2,859	2,902	rounded to 2,900
On Leave	<u>-25</u>	<u>-25</u>	
Total In-Center Population	2,834	2,877	

CASELOAD
Budget Year 2007-08

	2007-08 Governor's Budget BY 2007-08	2007-08 May Revision BY 2007-08		
	<i>Estimated Caseload as of 1/31/08</i>	<i>Estimated Caseload as of 1/31/08</i>	<i>Difference</i>	<i>Percent Change</i>
A. Active Caseload (Age 3 & Older)	191,975	190,925	-1,050	-0.5%
B. Early Start (Birth through 2 Years)	28,625	28,305	-320	-1.1%
C. Total Community Caseload	220,600	219,230	-1,370	-0.6%
D. Total Developmental Center (DC) Population	2,615 a/	2,635 a/	20	0.8%
E. Total Regional Center Caseload (C + D)	223,215	221,865	-1,350	-0.6%

a/ The BY 2007-08 caseload estimate is consistent with the 2007-08 Governor's Budget and 2007-08 May Revision for the DC Population, which reflects the following:

	07-08 Governor's <u>Budget</u>	07-08 May <u>Revision</u>	
Average Total Population	2,613	2,634	rounded to 2,635
On Leave	<u>-24</u>	<u>-24</u>	
Total In-Center Population	2,589	2,610	

CASELOAD*Current Year 2006-07 vs. Budget Year 2007-08*

	2007-08 May Revision CY 2006-07	2007-08 May Revision BY 2007-08		
	<i>Actual Caseload as of 1/31/07</i>	<i>Estimated Caseload as of 1/31/08</i>	<i>Annual Change</i>	<i>Percent Annual Change</i>
A. Active Caseload (Age 3 & Older)	184,595	190,925	6,330	3.4%
B. Early Start (Birth through 2 Years)	26,585	28,305	1,720	6.5%
C. Total Community Caseload	211,180	219,230	8,050	3.8%
D. Total Developmental Center (DC) Population	2,900 a/	2,635 b/	-265	-9.1%
E. Total Regional Center Caseload (C + D)	214,080	221,865	7,785	3.6%

a/ The CY 2006-07 caseload estimate is consistent with the 2007-08 May Revision for the DC Population, which reflects the following:

	<u>CY 2006-07</u>	
Average Total Population	2,902	rounded to 2,900
On Leave	-25	
Total In-Center Population	2,877	

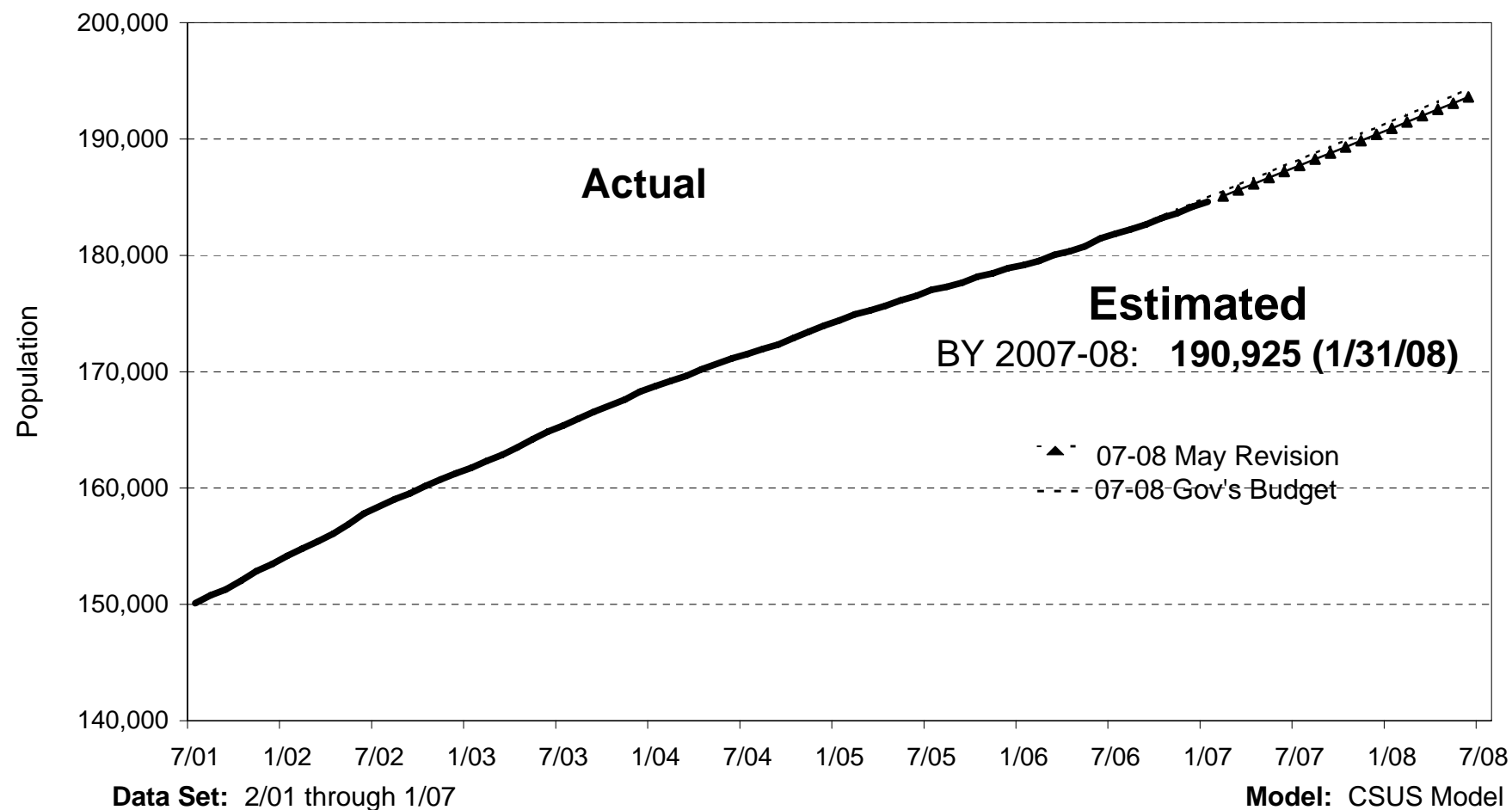
b/ The BY 2007-08 caseload estimate is consistent with the 2007-08 May Revision for the DC population, which reflects the following:

	<u>BY 2007-08</u>	
Average Total Population	2,634	rounded to 2,635
On Leave	-24	
Total In-Center Population	2,610	

Active Status Caseload

(Age 3 & Older)

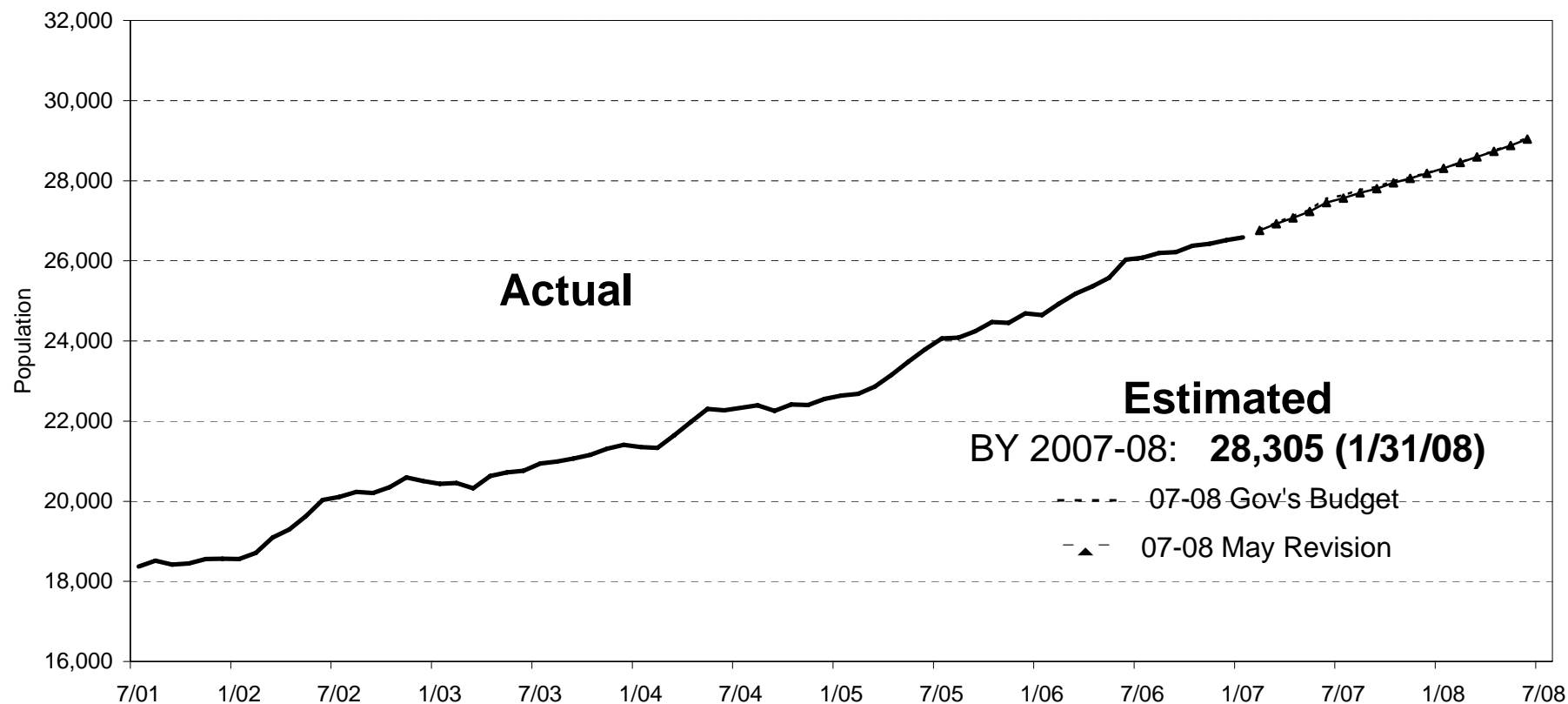
Trend Analysis



Early Start Caseload

Birth through 2 Years

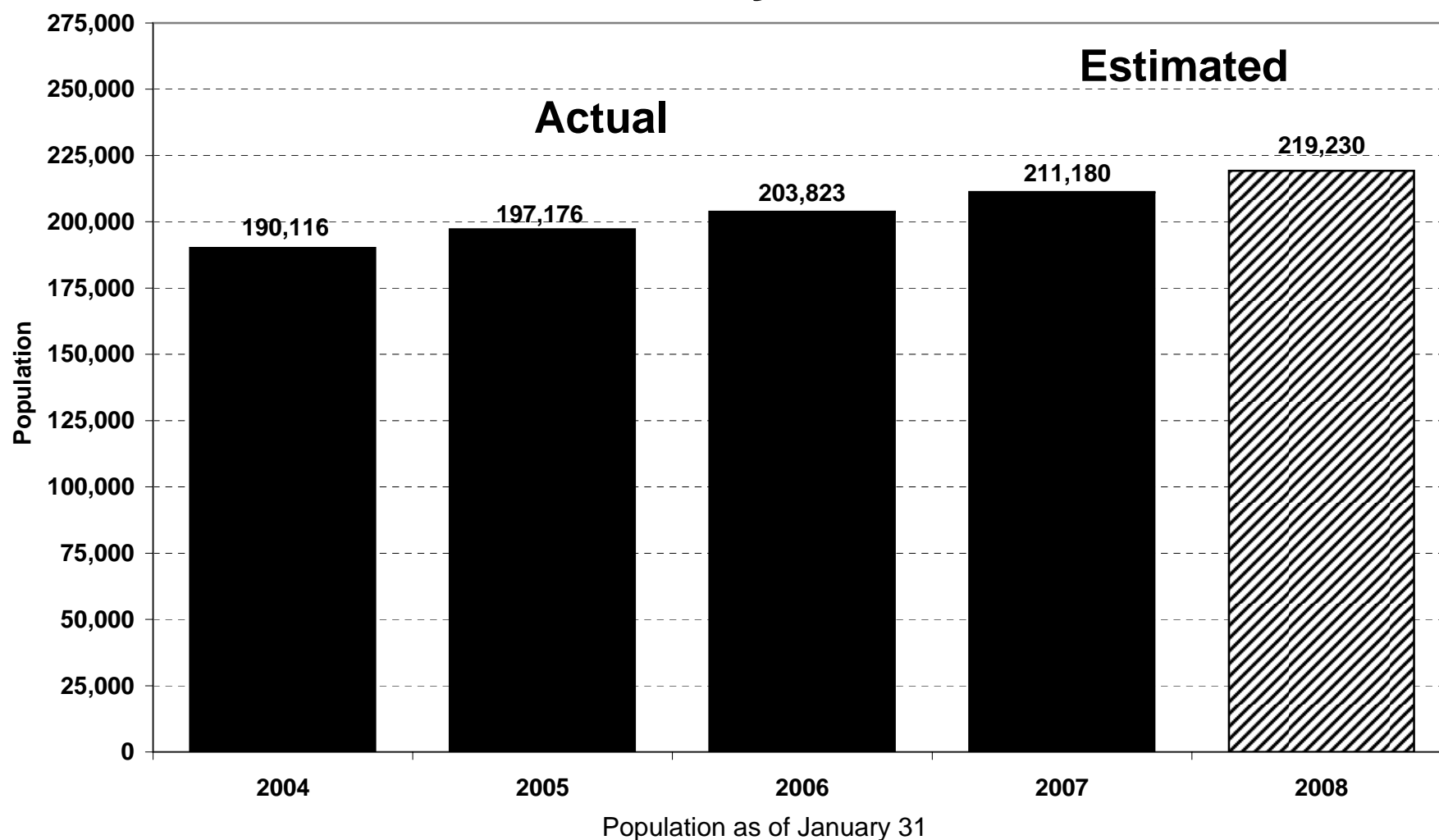
Client Master File Trend Analysis



Data Set: 2/02 - 1/07

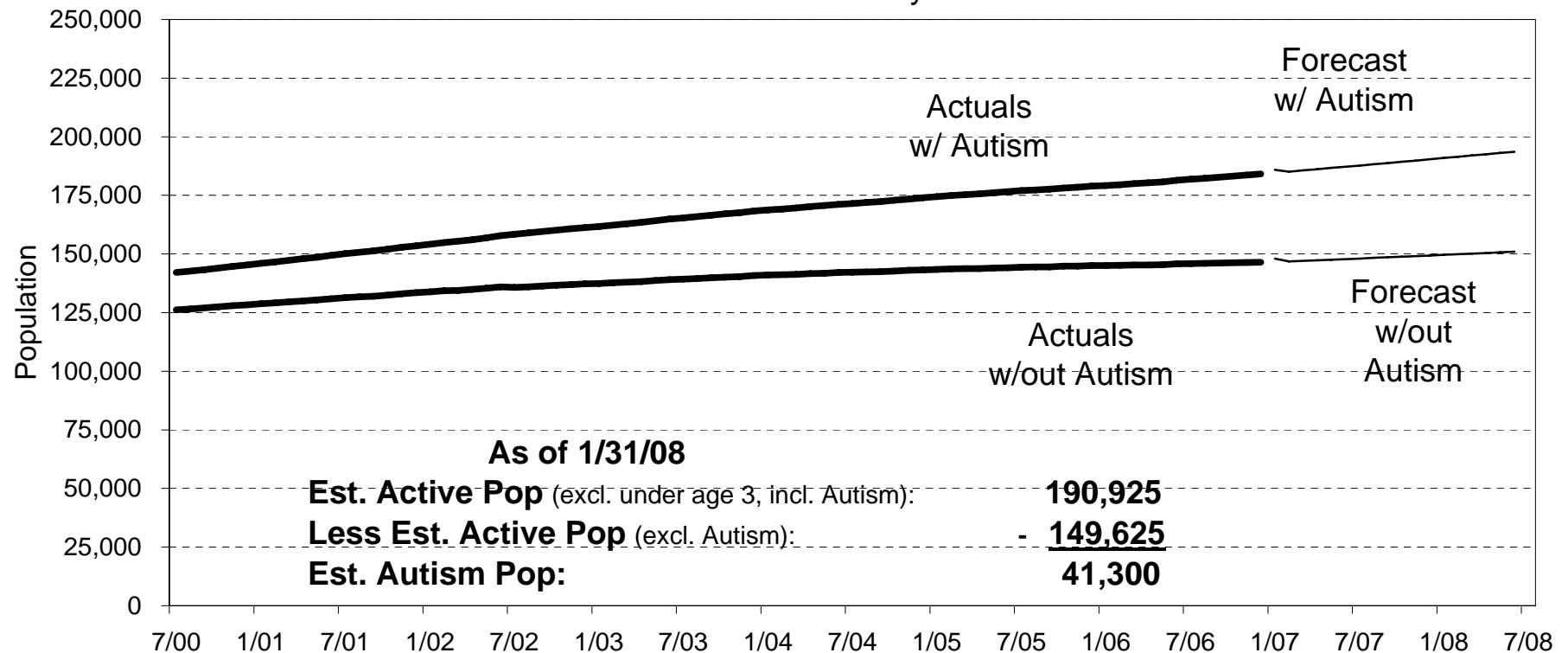
Model: Statgraphics ARIMA w/ Constant

Community Caseload



Active Status Population Autism Impact

Trend Analysis



Autism Population refers to those individuals reported on the CDER with full syndrome autism, residual state autism, suspected autism that has not yet been diagnosed, and any of the following diagnoses recorded in the CDER: Autistic Disorder, Asperger's Disorder, Pervasive Developmental Disorder (NOS), Rett's Disorder or Childhood Disintegrative Disorder. Active Status Population does not include children under age 3 years in the Early Start program.

Staffing

DESCRIPTION:

Staffing includes personal services and operating expenses for Core Staffing, Community Placement Plan (CPP), and Placement Continuation staff.

KEY DATA/ASSUMPTIONS:

CY 2006-07

BY 2007-08

- Caseload data is from the Client Master File.
- **Caseload Projections:** (See Section D, Population, for detail)

• Active Caseload (Age 3 and Over)	184,595	190,925
• Early Start (Birth through 2 Years, High-Risk and Active)	<u>26,585</u>	<u>28,305</u>
Total Community Caseload	211,180	219,230
• Developmental Center (DC) Population	<u>2,900</u>	<u>2,635</u>
Total Regional Center Caseload	214,080	221,865
- Informational:

• Community Care Facility (CCF) Consumers (including Placement Continuation)	23,188	23,513
• Home and Community-Based Services (HCBS) Waiver-Enrolled Consumers	70,163	74,177
• Early Start (Assessment, High-Risk and Active)	26,585	28,305
• CPP Placements	246	364
• Placement Continuation Consumers	198	289
• Intake cases per month	3,871	4,271
• Vendors	80,820	70,105
• Mediations per year	400	400
- **Core Staffing:**
 - Effective January 1, 2004 through July 1, 2008, the following adjustments have been made to the core staffing formulas:
 - Modify Mandated Caseload Ratios for Client Program Coordinators (CPCs): Amends existing law to increase the maximum average CPC-to-consumer caseload ratio from 1:62 to 1:66, and increases the limit of a CPC carrying in excess of 79 consumers for more than 60 days to 84 consumers for more than 60 days. However, consumers in the Early Start Program and consumers who are enrolled in the HCBS Waiver shall be maintained at the current staffing levels.
 - Modify Mandated Caseload Ratios for CPCs: Changes existing law so that consumers who have moved from a state developmental center to the community since April 14, 1993, and have resided in the community for at least 12 months, shall receive service coordination as proposed under the methodology explained directly above.
 - Revise Supervising Counselor Ratios: Increases the ratios for Supervising Counselors from 1:8 CPCs to 1:10 CPCs.
 - Revise Clerical Ratios: Increases the ratios for Secretaries I and II from 1:4 to 1:6 for specified professional positions.
 - The FY 2003-04 savings proposal to increase the amount of time allowed for intake and assessment from 60 to 120 days will continue through June 30, 2008.
 - Rent costs are updated based on the 2007-08 May Revision Rent Survey.

Staffing

KEY DATA/ASSUMPTIONS (continued):

- Community Placement Plan

- This estimate is based on projected costs and historical experience and is developed through negotiated plans with each regional center. See Community Placement Plan, Pages E-16.1 to E-16.15, for the methodology detail.

METHODOLOGY:

CORE STAFFING

PERSONAL SERVICES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> Direct Services and Administration: 	\$280,559,000	\$292,376,000
Total Estimated Number of Positions:		
CY 2006-07 8,048.58		
BY 2007-08 8,419.43		
See Attachment A for Core Staffing Expenditure Detail.		
See Attachment B for Core Staffing Formulas.		
<ul style="list-style-type: none"> Fringe Benefits: 	\$66,492,000	\$69,293,000
Based on 23.7% per position.		
<ul style="list-style-type: none"> Salary Savings: 	-\$11,616,000	-\$12,144,000
Client Program Coordinators: 1.0% Per Position	-1,660,000	-1,722,000
All Other Staff: 5.5% Per Position	-9,956,000	-10,422,000
<ul style="list-style-type: none"> Early Start /Part C Administrative and Clinical Support: 	\$694,000	\$694,000
Includes salaries, fringe benefits and salary savings.		
TOTAL PERSONAL SERVICES	<u>\$336,129,000</u>	<u>\$350,219,000</u>

OPERATING EXPENSES:

<ul style="list-style-type: none"> Operating Expenses: 	\$31,400,000	\$32,479,000
Base amount plus the following adjustments:		
Professional Positions: \$3,400 Per New Position		
Clerical Positions: \$2,400 Per New Position		
<ul style="list-style-type: none"> Rent: 	\$42,756,000	\$45,061,000
Base amount plus the following adjustments:		
CY 2006-07: \$6,068 Per New Position		
BY 2007-08: \$6,314 Per New Position		
TOTAL OPERATING EXPENSES	<u>\$74,156,000</u>	<u>\$77,540,000</u>
SUBTOTAL/TOTAL, CORE STAFFING	<u>\$410,285,000</u>	<u>\$427,759,000</u>
TOTAL, CORE STAFFING ADJUSTED FOR AMOUNT ALREADY ALLOCATED TO REGIONAL CENTERS	<u>\$413,192,000</u>	

Staffing

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
INTAKE AND ASSESSMENT	-\$4,465,000	-\$4,465,000
<ul style="list-style-type: none"> Savings as a result of extending the amount of time allowable for regional centers to perform intakes and assessments from 60 to 120 days. 		
COMMUNITY PLACEMENT PLAN:	\$18,767,000	\$21,378,000
<ul style="list-style-type: none"> See Community Placement Plan, Pages E-16.1 to E-16.15, for the methodology detail. 		
PLACEMENT CONTINUATION FOR CLOSURE OF AGNEWS DEVELOPMENTAL CENTER (DC)	\$309,000	\$338,000
<ul style="list-style-type: none"> Client Program Coordinators: Core Staffing currently includes a marginal change in the case management staffing ratio, from 1:62 to 1:45, for the first year after placement from a DC into the community. This item adds 1 additional year of case management at 1:45 for consumers moving out of Agnews DC. 	79,000	91,000
<ul style="list-style-type: none"> Nurse Consultants for SB 962 Homes: Provides 1 Nurse Consultant position (ongoing) for every 25 consumers placed in SB 962 homes. The funding for these positions was moved to CPP for CY 2006-07, consistent with the Department's policy of including resource development and placement year costs in CPP. Continuation costs for consumers will begin in BY 2007-08. 	N/A	17,000
<ul style="list-style-type: none"> Oral Health Care: Provides 1 Dental Coordinator position at each of the 3 Bay Area regional centers. 	230,000	230,000
UNALLOCATED REDUCTION	-\$10,559,000	-\$10,559,000
COST CONTAINMENT	-\$5,968,000	-\$5,968,000
MEDICARE PART D PRESCRIPTION DRUG BENEFIT	\$2,885,000	\$0
<ul style="list-style-type: none"> Funding provides contracted Part D Coordinators and clinical staff based on the number of Medicaid and Medicare dually eligible consumers. Program was implemented January 1, 2006. 		

Staffing

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
STAFFING FOR COLLECTION OF FFP FOR CONTRACTED SERVICES	\$2,148,000	\$2,159,000
<ul style="list-style-type: none">Funding provides one Community Program Specialist I and one Account Clerk II for each regional center. This funding will be required until the regional centers have a billing system that prevents the processing of vendor invoices that do not include the individual consumer data required to support Home and Community-Based Services Waiver billing.		
See page E-1.14 for the fiscal detail.		
• TOTAL EXPENDITURES	<u>\$416,309,000</u>	<u>\$430,642,000</u>

FUNDING:

The funding for Staffing expenditures is comprised of reimbursements from: Targeted Case Management (TCM) and TCM Administration (50% Federal Financial Participation (FFP/50% GF Match), Medicaid Administration (75% FFP/25% GF Match), HCBS Waiver Administration (50% FFP/50% GF Match), SDS Waiver Administration (FFP/50% GF Match), and federal funding for the Early Start program. The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures have been updated using the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures from the current year to the budget year is based on updated caseload data.

Staffing

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL EXPENDITURES:		
TOTAL	\$416,309,000	\$430,642,000
General Fund	\$246,536,000	\$259,771,000
<i>General Fund Match</i>	150,013,000	150,137,000
<i>General Fund Other</i>	96,523,000	109,634,000
Reimbursements	\$157,856,000	\$158,211,000
<i>Medicaid Administration</i>	11,764,000	12,109,000
<i>HCBS Waiver Administration</i>	716,000	720,000
<i>Targeted Case Management</i>	141,057,000	141,063,000
<i>TCM Administration</i>	4,319,000	4,319,000
Federal Funds	\$11,917,000	\$12,660,000
<i>Early Start</i>	11,917,000	12,660,000

Attachment A**CORE STAFFING****Detailed Comparison of the 2007-08 Governor's Budget
to the 2007-08 May Revision****CY 2006-07****I. CORE STAFFING FORMULA****A. PERSONAL SERVICES****1. DIRECT SERVICES****a. Clinical****(1) Intake and Assessment**

	2007-08 Governor's Budget CY 2006-07	Positions	2007-08 May Revision CY 2006-07 Budgeted Salary	Cost	Difference
(a) Physician	\$8,524,803	107.04	\$79,271	\$8,485,168	-\$39,635
(b) Psychologist	8,980,450	214.08	41,754	8,938,696	-41,754
(c) Nurse	3,997,369	107.04	37,171	3,978,784	-18,585
(d) Nutritionist	3,025,100	107.04	28,130	3,011,035	-14,065

(2) Clinical Support Teams

(a) Physician/Psychiatrist	4,693,734	51.00	92,034	4,693,734	0
(b) Consulting Pharmacist	3,082,950	51.00	60,450	3,082,950	0
(c) Behavioral Psychologist	2,803,572	51.00	54,972	2,803,572	0
(d) Nurse	2,574,378	51.00	50,478	2,574,378	0

(3) SB 1038 Health Reviews

(a) Physician	1,733,921	18.72	92,034	1,722,876	-11,045
(b) Nurse	4,438,026	87.34	50,478	4,408,749	-29,277

b. Intake / Case Management

(1) Supervising Counselor (Intake)					
(1:10 Intake Workers in Item (2) below)	2,266,565	55.30	38,036	2,103,391	-163,174
(2) Intake Worker	18,788,658	553.00	31,532	17,437,196	-1,351,462
(3) Supervising Counselor (Case Management)					
(1:10 CPCs in Items (4) and (5) below)	17,564,942	333.45	52,392	17,470,112	-94,830
(4) Client Program Coordinator (CPC), 1:66 Consumers	59,136,726	1,730.09	34,032	58,878,423	-258,303
(5) CPC (Waiver, High Risk Infants only), 1:62 Consumers	53,444,533	1,560.45	34,032	53,105,234	-339,299
(6) CPC, Quality Assurance for ARM	1,514,084	44.00	34,032	1,497,408	-16,676
(7) Supervising Counselor, DSS Incidental Medical Care Regulations (1:10 CPCs in Item (8) below)	44,009	0.90	52,392	47,153	3,144
(8) CPC, DSS Incidental Medical Care Regs	316,965	9.02	37,824	341,172	24,207

c. Quality Assurance / Quarterly Monitoring

(1) Supervising Counselor	1,827,957	34.87	52,392	1,826,909	-1,048
(2) CPC	11,875,126	348.69	34,032	11,866,618	-8,508

d. Early Intervention**(1) General**

(a) Prevention Coordinator	876,792	21.00	41,752	876,792	0
(b) High-Risk Infant Case Manager	856,905	21.00	40,805	856,905	0
(c) Genetics Associate	798,714	21.00	38,034	798,714	0

(2) Early Start / Part C

(a) Supervising Counselor	966,108	18.58	52,392	973,443	7,335
(b) CPC	6,273,799	185.77	34,032	6,322,125	48,326
(c) Administrative and Clinical Support (See Page 2)					

e. Community Services

(1) Special Incident Coordinator	1,100,232	21.00	52,392	1,100,232	0
(2) Vendor Fiscal Monitor	1,842,587	36.24	50,844	1,842,587	0
(3) Program Evaluator	898,653	21.00	42,793	898,653	0
(4) Resource Developer	898,653	21.00	42,793	898,653	0
(5) Transportation Coordinator	898,653	21.00	42,793	898,653	0
(6) Administrative Services Analyst (SB 1039 Consumer Complaints)	449,327	10.50	42,793	449,327	0
(7) Developmental Center Liaison	271,197	7.25	38,036	275,761	4,564
(8) Diversion	126,584	4.00	31,646	126,584	0
(9) Placement Continuation:					
(a) Supervising Counselor	7,335	0.12	52,392	6,287	-1,048
(b) CPC (Supplement at 1:45 Consumers)	47,304	1.21	34,032	41,179	-6,125

f. Special Incident Reporting (SIR)

(1) Supervising Counselor	332,689	6.32	52,392	331,117	-1,572
(2) QA/CPC	2,159,330	63.24	34,032	2,152,184	-7,146
(3) Nurses	1,601,162	31.62	50,478	1,596,114	-5,048

g. Mediation

(1) Clinical Staff	7,093	0.11	64,484	7,093	0
(2) Supervising Counselor	52,916	1.01	52,392	52,916	0
(3) CPC	17,356	0.51	34,032	17,356	0

h. Expansion of Autism Spectrum Disorders (ASD) Initiative

(1) ASD Clinical Specialist	685,944	10.50	65,328	685,944	0
(2) ASD Program Coordinator	659,232	10.50	62,784	659,232	0

i. SUBTOTAL DIRECT SERVICES

	\$232,462,433	6,049.51		\$230,141,409	-\$2,321,024
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Attachment A**CORE STAFFING, CY 2006-07 (continued)**

	2007-08 Governor's Budget CY 2006-07	2007-08 May Revision CY 2006-07			
		Positions	Budgeted Salary	Cost	Difference
2. ADMINISTRATION					
a. Executive Staff					
(1) Director	\$1,279,698	21.00	\$60,938	\$1,279,698	\$0
(2) Administrator	1,009,449	21.00	48,069	1,009,449	0
(3) Chief Counselor	986,643	21.00	46,983	986,643	0
b. Fiscal					
(1) Federal Program Coordinator (Enh. FFP, Phase I)	1,206,177	21.00	57,437	1,206,177	0
(2) Federal Compliance Specialist (Enh. FFP, Phase II)	2,832,376	70.16	39,887	2,798,472	-33,904
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	555,772	15.24	36,468	555,772	0
(5) Revenue Clerk	1,398,657	63.21	20,617	1,303,201	-95,456
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	6,594,589	356.80	18,397	6,564,050	-30,539
c. Information Systems and Human Resources					
(1) Information Systems Manager	1,397,844	21.00	66,564	1,397,844	0
(2) Information Systems Assistant	1,000,692	21.00	47,652	1,000,692	0
(3) Information Systems Assistant (SIR)	500,346	10.50	47,652	500,346	0
(4) Privacy Officer (HIPAA)	898,653	21.00	42,793	898,653	0
(5) Personal Computer Systems Manager	1,397,844	21.00	66,564	1,397,844	0
(6) Training Officer	1,099,728	21.00	52,368	1,099,728	0
(7) Training Officer (SIR)	549,864	10.50	52,368	549,864	0
(8) Human Resources Manager	1,067,724	21.00	50,844	1,067,724	0
d. Clerical Support					
(1) Office Supervisor	489,867	21.00	23,327	489,867	0
(2) PBX/Mail/File Clerk	1,378,188	63.00	21,876	1,378,188	0
(3) Executive Secretary	1,148,490	52.50	21,876	1,148,490	0
(4) MD/Psychologist Secretary II	220,315	9.36	23,388	218,912	-1,403
(5) MD/Psychologist Secretary I	3,528,818	160.56	21,876	3,512,411	-16,407
(6) Secretary II	3,451,133	147.19	23,388	3,442,480	-8,653
(7) Secretary I	15,268,573	803.05	18,757	15,062,809	-205,764
e. SUBTOTAL ADMINISTRATION	<u>\$50,809,560</u>	<u>2,035.07</u>		<u>\$50,417,434</u>	<u>-\$392,126</u>
3. TOTAL POSITIONS AND SALARIES					
(Items A.1.h. + Item A.2.e.)	<u>\$283,271,993</u>	<u>8,084.58</u>		<u>\$280,558,843</u>	<u>-\$2,713,150</u>
a. CPCs	134,785,223			134,221,699	-563,524
b. All Other Staff	148,486,770			146,337,144	-2,149,626
4. Fringe Benefits					
a. CPCs 23.7%	<u>\$31,944,098</u>			<u>\$31,810,543</u>	<u>-\$133,555</u>
b. All Other Staff 23.7%	<u>35,191,364</u>			<u>34,681,903</u>	<u>-509,461</u>
c. Total Fringe Benefits	<u>\$67,135,462</u>			<u>\$66,492,446</u>	<u>-\$643,016</u>
5. Salary Savings					
a. CPCs 1.0%	<u>-\$1,667,293</u>			<u>-\$1,660,322</u>	<u>\$6,971</u>
b. All Other Staff 5.5%	<u>-10,102,297</u>			<u>-9,956,048</u>	<u>146,249</u>
c. Total Salary Savings	<u>-\$11,769,590</u>			<u>-\$11,616,370</u>	<u>\$153,220</u>
6. Early Start / Part C Administrative and Clinical Support (salaries, fringe benefits and salary savings)	<u>\$694,000</u>			<u>\$694,000</u>	<u>\$0</u>
7. TOTAL PERSONAL SERVICES					
(Items A.3. + A.4. + A.5. + A.6.)	<u>\$339,331,865</u>			<u>\$336,128,919</u>	<u>-\$3,202,946</u>
ROUNDED	<u>\$339,332,000</u>	<u>8,085.00</u>		<u>\$336,129,000</u>	<u>-\$3,203,000</u>
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	<u>\$31,680,000</u>			<u>\$31,400,000</u>	<u>-\$280,000</u>
2. Rent	<u>42,883,000</u>			<u>42,756,000</u>	<u>-127,000</u>
3. Subtotal Operating Expenses and Rent	<u>\$74,563,000</u>			<u>\$74,156,000</u>	<u>-\$407,000</u>
C. SUBTOTAL CORE STAFFING (Items A.7. + B.3.)	<u>\$413,895,000</u>			<u>\$410,285,000</u>	<u>-\$3,610,000</u>
D. TOTAL CORE STAFFING: AMOUNT ALREADY ALLOCATED TO REGIONAL CENTERS	<u>\$413,895,000</u>			<u>\$413,192,000</u>	<u>-\$703,000</u>

Attachment A
CORE STAFFING
Detailed Comparison of the 2007-08 Governor's Budget
to the 2007-08 May Revision
BY 2007-08

I. CORE STAFFING FORMULA**A. PERSONAL SERVICES****1. DIRECT SERVICES****a. Clinical****(1) Intake and Assessment**

(a) Physician	\$8,847,436	110.93	\$79,271	\$8,793,532	-\$53,904
(b) Psychologist	9,320,328	221.87	41,754	9,263,960	-56,368
(c) Nurse	4,148,655	110.93	37,171	4,123,379	-25,276
(d) Nutritionist	3,139,589	110.93	28,130	3,120,461	-19,128

(2) Clinical Support Teams

(a) Physician/Psychiatrist	4,877,802	53.00	92,034	4,877,802	0
(b) Consulting Pharmacist	3,203,850	53.00	60,450	3,203,850	0
(c) Behavioral Psychologist	2,913,516	53.00	54,972	2,913,516	0
(d) Nurse	2,675,334	53.00	50,478	2,675,334	0

(3) SB 1038 Health Reviews

(a) Physician	1,804,787	19.25	92,034	1,771,655	-33,132
(b) Nurse	4,618,737	89.86	50,478	4,535,953	-82,784

b. Intake / Case Management

(1) Supervising Counselor (Intake)					
(1:10 Intake Workers in Item (2) below)	2,521,787	61.01	38,036	2,320,576	-201,211
(2) Intake Worker	20,905,716	610.14	31,532	19,238,934	-1,666,782
(3) Supervising Counselor (Case Management)					
(1:10 CPCs in Items (4) and (5) below)	18,261,232	346.10	52,392	18,132,871	-128,361
(4) Client Program Coordinator (CPC), 1:66 Consumers	60,281,903	1,763.23	34,032	60,006,243	-275,660
(5) CPC (Waiver, High Risk Infants only), 1:62 Consumers	56,814,382	1,653.11	34,032	56,258,640	-555,742
(6) CPC, Quality Assurance for ARM	1,522,592	44.62	34,032	1,518,508	-4,084
(7) Supervising Counselor, DSS Incidental Medical Care Regulations (1:10 CPCs in Item (8) below)	46,105	0.90	52,392	47,153	1,048
(8) CPC, DSS Incidental Medical Care Regs	333,608	9.02	37,824	341,172	7,564

c. Quality Assurance / Quarterly Monitoring

(1) Supervising Counselor	1,879,825	35.47	52,392	1,858,344	-21,481
(2) CPC	12,211,703	354.69	34,032	12,070,810	-140,893

d. Early Intervention**(1) General**

(a) Prevention Coordinator	876,792	21.00	41,752	876,792	0
(b) High-Risk Infant Case Manager	856,905	21.00	40,805	856,905	0
(c) Genetics Associate	798,714	21.00	38,034	798,714	0

(2) Early Start / Part C

(a) Supervising Counselor	1,049,936	19.72	52,392	1,033,170	-16,766
(b) CPC	6,821,374	197.17	34,032	6,710,089	-111,285
(c) Administrative and Clinical Support (See Page 2)					

e. Community Services

(1) Special Incident Coordinator	1,100,232	21.00	52,392	1,100,232	0
(2) Vendor Fiscal Monitor	1,669,209	32.83	50,844	1,669,209	0
(3) Program Evaluator	898,653	21.00	42,793	898,653	0
(4) Resource Developer	898,653	21.00	42,793	898,653	0
(5) Transportation Coordinator	898,653	21.00	42,793	898,653	0
(6) Administrative Services Analyst (SB 1039 Consumer Complaints)	449,327	10.50	42,793	449,327	0
(7) Developmental Center Liaison	248,755	6.59	38,036	250,657	1,902
(8) Diversion	126,584	4.00	31,646	126,584	0
(9) Placement Continuation:					
(a) Supervising Counselor	9,431	0.18	52,392	9,431	0
(b) CPC (Supplement at 1:45 Consumers)	59,896	1.76	34,032	59,896	0

f. Special Incident Reporting (SIR)

(1) Supervising Counselor	341,072	6.49	52,392	340,024	-1,048
(2) QA/CPC	2,216,164	64.85	34,032	2,206,975	-9,189
(3) Nurses	1,643,564	32.42	50,478	1,636,497	-7,067

g. Mediation

(1) Clinical Staff	7,093	0.11	64,484	7,093	0
(2) Supervising Counselor	52,916	1.01	52,392	52,916	0
(3) CPC	17,356	0.51	34,032	17,356	0

h. Expansion of Autism Spectrum Disorders (ASD) Initiative

(1) ASD Clinical Specialist	0	21.00	65,328	1,371,888	1,371,888
(2) ASD Program Coordinator	0	21.00	62,784	1,318,464	1,318,464

i. SUBTOTAL DIRECT SERVICES

	\$241,370,166	6,321.20		\$240,660,871	-\$709,295
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Attachment A**CORE STAFFING, BY 2007-08 (continued)**

	2007-08 Governor's Budget BY 2007-08	2007-08 May Revision BY 2007-08			
		Positions	Budgeted Salary	Cost	Difference
2. ADMINISTRATION					
a. Executive Staff					
(1) Director	\$1,279,698	21.00	\$60,938	\$1,279,698	\$0
(2) Administrator	1,009,449	21.00	48,069	1,009,449	0
(3) Chief Counselor	986,643	21.00	46,983	986,643	0
b. Fiscal					
(1) Federal Program Coordinator (Enh. FFP, Phase I)	1,206,177	21.00	57,437	1,206,177	0
(2) Federal Compliance Specialist (Enh. FFP, Phase II)	2,985,941	74.18	39,887	2,958,818	-27,123
(3) Fiscal Manager	963,480	21.00	45,880	963,480	0
(4) Program Tech II (FCPP)	555,772	15.24	36,468	555,772	0
(5) Revenue Clerk	1,398,863	64.09	20,617	1,321,344	-77,519
(6) Account Clerk (Enh. FFP, Phase II)	584,640	21.00	27,840	584,640	0
(7) Account Clerk	6,844,236	369.78	18,397	6,802,843	-41,393
c. Information Systems and Human Resources					
(1) Information Systems Manager	1,397,844	21.00	66,564	1,397,844	0
(2) Information Systems Assistant	1,000,692	21.00	47,652	1,000,692	0
(3) Information Systems Assistant (SIR)	500,346	10.50	47,652	500,346	0
(4) Privacy Officer (HIPAA)	898,653	21.00	42,793	898,653	0
(5) Personal Computer Systems Manager	1,397,844	21.00	66,564	1,397,844	0
(6) Training Officer	1,099,728	21.00	52,368	1,099,728	0
(7) Training Officer (SIR)	549,864	10.50	52,368	549,864	0
(8) Human Resources Manager	1,067,724	21.00	50,844	1,067,724	0
d. Clerical Support					
(1) Office Supervisor	489,867	21.00	23,327	489,867	0
(2) PBX/Mail/File Clerk	1,378,188	63.00	21,876	1,378,188	0
(3) Executive Secretary	1,148,490	52.50	21,876	1,148,490	0
(4) MD/Psychologist Secretary II	229,436	9.63	23,388	225,226	-4,210
(5) MD/Psychologist Secretary I	3,662,480	166.40	21,876	3,640,166	-22,314
(6) Secretary II	3,528,314	149.68	23,388	3,500,716	-27,598
(7) Secretary I	16,032,358	839.73	18,757	15,750,816	-281,542
e. SUBTOTAL ADMINISTRATION	<u>\$52,196,727</u>	<u>2,098.23</u>		<u>\$51,715,028</u>	<u>-\$481,699</u>
3. TOTAL POSITIONS AND SALARIES					
(Items A.1.h. + Item A.2.e.)	<u>\$293,566,893</u>	<u>8,419.43</u>		<u>\$292,375,899</u>	<u>-\$1,190,994</u>
a. CPCs	140,278,978			139,189,689	-1,089,289
b. All Other Staff	153,287,915			153,186,210	-101,705
4. Fringe Benefits					
a. CPCs 23.7%	\$33,246,118			\$32,987,956	-\$258,162
b. All Other Staff 23.7%	<u>36,329,236</u>			<u>36,305,132</u>	<u>-24,104</u>
c. Total Fringe Benefits	<u>\$69,575,354</u>			<u>\$69,293,088</u>	<u>-\$282,266</u>
5. Salary Savings					
a. CPCs 1.0%	-\$1,735,251			-\$1,721,776	\$13,475
b. All Other Staff 5.5%	<u>-10,428,943</u>			<u>-10,422,024</u>	<u>6,919</u>
c. Total Salary Savings	<u>-\$12,164,194</u>			<u>-\$12,143,800</u>	<u>\$20,394</u>
6. Early Start / Part C Administrative and Clinical Support (salaries, fringe benefits and salary savings)	<u>\$694,000</u>			<u>\$694,000</u>	<u>\$0</u>
7. TOTAL PERSONAL SERVICES					
(Items A.3. + A.4. + A.5. + A.6.)	<u>\$351,672,053</u>			<u>\$350,219,187</u>	<u>-\$1,452,866</u>
ROUNDED	<u>\$351,672,000</u>	<u>8,419.00</u>		<u>\$350,219,000</u>	<u>-\$1,453,000</u>
B. OPERATING EXPENSES AND RENT					
1. Operating Expenses	\$32,731,000			\$32,479,000	-\$252,000
2. Rent	44,551,000			45,061,000	510,000
3. Subtotal Operating Expenses and Rent	<u>\$77,282,000</u>			<u>\$77,540,000</u>	<u>\$258,000</u>
C. TOTAL CORE STAFFING (Items A.7. + B.3.)	<u>\$428,954,000</u>			<u>\$427,759,000</u>	<u>-\$1,195,000</u>

Attachment B
CORE STAFFING FORMULAS

CORE STAFFING CLASSIFICATION	STAFFING FORMULA
A. <u>PERSONAL SERVICES</u>	
1. DIRECT SERVICES	
a. <u>Clinical</u>	
(1) <u>Intake and Assessment</u>	
(a) Physician (minimum of 1)	1.0 position : 2,000 total consumers
(b) Psychologist	1.0 position : 1,000 total consumers
(c) Nurse (minimum of 1)	1.0 position : 2,000 total consumers
(d) Nutritionist (minimum of 1)	1.0 position : 2,000 total consumers
(2) <u>Clinical Support Teams</u>	
(a) Physician/Psychiatrist	1.0 position : 1,700 consumers in community care facilities (CCF) and supported living and those with severe behavior and/or medical problems
(b) Consulting Pharmacist	1.0 position : 1,700 " "
(c) Behavioral Psychologist	1.0 position : 1,700 " "
(d) Nurse	1.0 position : 1,700 " "
(3) <u>SB 1038 Health Reviews</u>	
(a) Physician	1.5 hours : Referral/1,778 hrs./full-time equivalent (FTE) position
(b) Nurse	1.75 hours : Individual program plan (IPP) review/1,778 hrs./FTE position
b. <u>Intake/Case Management</u>	
(1) Supervising Counselor: Intake (effective January 1, 2004 through July 1, 2008)	1.0 position : 10 Intake Workers
(2) Intake Worker	1.0 position : 14 monthly intake cases (assume average intake case lasts 2 mos.)
(3) Supervising Counselor: Case Management (effective January 1, 2004 through July 1, 2008)	1.0 position : 10 CPCs in Items b.(4 and 5) below
(4) Client Program Coordinator (CPC) (effective January 1, 2004 through July 1, 2008)	1.0 position : 62 Waiver and Early Start consumers (excluding CPP placements)
(5) CPC (effective January 1, 2004 through July 1, 2008)	1.0 position : 66 consumers (all other consumers, excluding CPP placements)
(6) CPC, Quality Assurance for Alternative Residential Model	1.0 position : 527 CCF consumers
(7) Supervising Counselor: DSS Incidental Medical Care Regulations	1.0 position : 10 CPCs in item b.(8) below
(8) CPC, DSS Incidental Medical Care Regulations	1.0 position : 2.5 hrs x 8 visits per year to CCF consumers who rely on others to perform activities of daily living

CORE STAFFING CLASSIFICATION**STAFFING FORMULA****A. PERSONAL SERVICES (continued)****1. DIRECT SERVICES (continued)****c. Quality Assurance/Quarterly Monitoring**

(1) Supervising Counselor (effective January 1, 2004 through July 1, 2008)	1.0 position	10 CPCs in Item c.(2) below
(2) CPC	10 hrs/yr. : 14 hrs/yr. :	CCF consumer/1,778 hrs./FTE Supported/Independent Living consumer/1,778 hrs./FTE
	10 hrs/yr. :	Skilled Nursing Facility and Intermediate Care Facility consumer/1,778 hrs./FTE
	10 hrs/yr. :	Family Home Agency consumer/1,778 hrs./FTE

d. Early Intervention

(1) <u>General</u>		
(a) Prevention Coordinator	1.0 position	: RC
(b) High-Risk Infant Case Mgr.	1.0 position	: RC
(c) Genetics Associate	1.0 position	: RC
(2) <u>Early Start/Part C</u>		
(a) Supervising Counselor (effective January 1, 2004 through July 1, 2008)	1.0 position	: 10 CPCs in Item d.(2)(b) below
(b) CPC:		
Marginal positions from:	1.0 position	: 62 children<age 3yrs.
to:	1.0 position	: 45 children<age 3yrs.*

e. Community Services

(1) Special Incident Coordinator	1.0 position	: RC
(2) Vendor Fiscal Monitor	0.5 position	: RC plus 1: every 3,140 vendors
(3) Program Evaluator	1.0 position	: RC
(4) Resource Developer	1.0 position	: RC
(5) Transportation Coordinator	1.0 position	: RC
(6) Administrative Services Analyst (SB 1039, Chapter 414, Statutes of 1997) Consumer Complaints	0.5 position	: RC
(7) Developmental Center Liaison	1.0 position	: 400 DC consumers
(8) Diversion	4.0 positions	: 21 RCs
(9) Placement Continuation		
(a) Supervising Counselor (effective January 1, 2004 through July 1, 2008)	1.0 position	: 10 CPCs in Item e.(9)(b) below
(b) CPC:		
1. Marginal positions from:	1.0 position	: 62 CPP Placements
2. to:	1.0 position	: 45 CPP Placements

* Note: This 1:45 staffing ratio is a funding methodology, not a required caseload ratio.

CORE STAFFING CLASSIFICATION**STAFFING FORMULA****A. PERSONAL SERVICES (continued)****1. DIRECT SERVICES (continued)****f. Special Incident Reporting (SIR)**

- | | | |
|--|--------------|--------------------------------------|
| (1) Supervising Counselor (effective January 1, 2004 through July 1, 2008) | 1.0 position | 10 CPCs in Item f. (2) below |
| (2) QA/CPC | 1.0 position | : RC plus 1: every 5,000 consumers |
| (3) Nurse | 0.5 position | : RC plus 0.5: every 5,000 consumers |

g. Mediation

- | | | |
|---------------------------|-----------|--|
| (1) Clinical Staff | 2.0 hours | : 25% of annual mediations/
1,778 hrs /FTE position |
| (2) Supervising Counselor | 4.5 hours | : mediation/1,778 hrs./FTE position |
| (3) CPC | 4.5 hours | : 50% of annual mediations/
1,778 hrs./FTE position |

h. Expansion of Autism Spectrum Disorders (ASD) Initiative

- | | | |
|---|--------------|------|
| (1) ASD Clinical Specialist (effective January 1, 2007) | 1.0 position | : RC |
| (2) ASD Program Coordinator (effective January 1, 2007) | 1.0 position | : RC |

2. ADMINISTRATION**a. Executive Staff**

- | | | |
|---------------------|--------------|------|
| (1) Director | 1.0 position | : RC |
| (2) Administrator | 1.0 position | : RC |
| (3) Chief Counselor | 1.0 position | : RC |

b. Fiscal

- | | | |
|---|--------------|---|
| (1) Federal Program Coordinator (Enhancing FFP, Phase I) | 1.0 position | : RC |
| (2) Federal Compliance Specialist (Enhancing FFP, Phase II) | 1.0 position | : 1,000 HCBS Waiver consumers |
| (3) Fiscal Manager | 1.0 position | : RC |
| (4) Program Technician II, FCPP | 0.5 position | : RC |
| | 1.0 position | : 1,778 hours of FCPP determinations |
| (5) Revenue Clerk | 1.0 position | : 400 consumers for whom RCs are representative payee |
| (6) Account Clerk (Enhancing FFP, Phase II) | 1.0 position | : RC |
| (7) Account Clerk | 1.0 position | : 600 total consumers |

c. Information Systems and Human Resources

- | | | |
|--|--------------|------|
| (1) Information Systems Manager | 1.0 position | : RC |
| (2) Information Systems Assistant | 1.0 position | : RC |
| (3) Information Systems Assistant, SIR | 0.5 position | : RC |
| (4) Privacy Officer, HIPAA | 1.0 position | : RC |
| (5) Personal Computer Systems Manager | 1.0 position | : RC |
| (6) Training Officer | 1.0 position | : RC |
| (7) Training Officer, SIR | 0.5 position | : RC |
| (8) Human Resources Manager | 1.0 position | : RC |

CORE STAFFING CLASSIFICATION	STAFFING FORMULA
A. <u>PERSONAL SERVICES (continued)</u>	
2. <u>ADMINISTRATION (continued)</u>	
d. <u>Clerical Support</u>	
(1) Office Supervisor	1.0 position : RC
(2) PBX/Mail/File Clerk	3.0 positions : RC
(3) Executive Secretary	2.5 positions : RC
(4) MD/Psychologist Secretary II	1.0 position : 2 Physicians in Item 1.a.(3)(a), SB 1038 Health Reviews
(5) MD/Psychologist Secretary I	1.0 position : 2 Physicians/Psychologists in Items 1.a.(1)(a) and (b), Clinical Intake and Assessment
(6) Secretary II (effective January 1, 2004 through July 1, 2008)	1.0 position : 6 professionals in Items: 1.a.(3)(b), SB 1038 Health Reviews 1.b.(7) and (8), DDS Incidental Medical Care Regulations 1.c., Quality Assurance/ Quarterly Monitoring 1.e.(1), (2) and (9)(a) and (b) Community Services 1.e.(9)2., Community Services (see Secty I, line 1.e.(9)1., below) 1.f.(1) thru (3), Special Incident Reporting 2.b.(1), Federal Program Coordinators (FFP Phase I) 2.b.(2), Federal Compliance Coordinators (FFP Phase II) 2.c., Information Systems and Human Resources
(7) Secretary 1 (effective January 1, 2004 through July 1, 2008)	1.0 position : 6 professionals in Items: 1.a.(1)(c) and (d), Clinical Intake and Assessment 1.b.(1) to (6), Intake/Case Mgt. 1.d., Early Intervention 1.e.(3), (4), (6) to (8), Community Services 1.e.(9)1., Community Services (see Secty II, line 1.e.(9)2., above)

Staffing for Collection of FFP for Contracted Services (Operations)

				<u>CY 2006-07</u>	<u>BY 2007-08</u>
STAFFING					
PERSONAL SERVICES:		<u>Positions</u>	<u>Salary</u>		
• Positions and Salaries					
Community Program Specialist I		21.00	\$42,948	\$901,908	\$901,908
Account Clerk II		21.00	29,220	613,620	613,620
Total, Positions and Salaries		42.00		<u>\$1,515,528</u>	<u>\$1,515,528</u>
• Fringe Benefits (@ 23.7%):				359,180	359,180
• Salary Savings (@ -5.5%):				-103,109	-103,109
Total Personal Services				<u>\$1,771,599</u>	<u>\$1,771,599</u>
OPERATING EXPENSES:					
• Operating Expenses:					
Professional Positions:	\$3,400	Per Position		\$71,400	\$71,400
Clerical Positions:	2,400	Per Position		50,400	50,400
• Rent Factor:					
CY 2006-07	\$6,068	Per Position		254,856	
BY 2007-08	6,314	Per Position			265,188
Total Operating Expenses				<u>\$376,656</u>	<u>\$386,988</u>
TOTAL STAFFING				<u>\$2,148,255</u>	<u>\$2,158,587</u>
(Rounded)				\$2,148,000	\$2,159,000

FUNDING:

100% General Fund

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

The rent factor for BY 2007-08 is higher than the rent factor for CY 2006-07.

		<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:			
	TOTAL	\$2,148,000	\$2,159,000
	General Fund	\$1,432,000	\$1,439,000
	General Fund Match	716,000	720,000
	General Fund Other	716,000	719,000
	Reimbursements	\$716,000	\$720,000
	HCBS Waiver Administration	716,000	720,000

Federal Compliance

DESCRIPTION:

With the support of the Department of Health Services (the federally-recognized single state agency for Medicaid), the Department of Developmental Services utilizes federal funding combined with state General Fund expenditures to meet the mandate established by the Lanterman Developmental Disabilities Services Act. Services are provided to persons with developmental disabilities through a system of 21 not-for-profit agencies called regional centers. Federal financial participation in state programs is provided through the Home and Community-Based Services (HCBS) Waiver, and the Targeted Case Management (TCM) and Nursing Home Reform (NHR) programs.

There are both fiscal and program requirements placed on the regional centers that enable the State to receive federal funding. This workload includes ongoing tasks, such as reviewing choice statements, handling complex notice of action issues related to the HCBS Waiver, completing annual HCBS Waiver certification/recertification forms, preparing for program audits, determining billable services, reconciling data, ensuring records are maintained in accordance with applicable federal requirements for accuracy and completeness, reviewing case records, participating in training on HCBS Waiver policies and procedures, resolving eligibility/compliance issues, etc. In addition, the regional centers receive HCBS Waiver funding through the State Medicaid Plan for case management services and service coordination provided under the TCM and NHR programs. Both of these programs require documentation of services provided.

ASSUMPTIONS/METHODOLOGY:

CY 2006-07 BY 2007-08

<ul style="list-style-type: none"> ● HCBS Waiver 	\$21,135,000	\$21,135,000
Operations costs for HCBS Waiver activities in CY and BY are based upon 6.5% of 1995-96 MW reimbursements of \$325,148,000. (100% General Fund)		
<ul style="list-style-type: none"> ● Accelerated HCBS Waiver Enrollments 	\$1,831,000	\$1,158,000
Provides ongoing funding for accelerated enrollment of consumers into the HCBS Waiver. (100% General Fund)		
Change from Prior Estimate:		
BY 2007-08 expenditures reflect an increase of 10 consumers from BY 2007-08 expenditures in the 2007-08 November Estimate based on updated consumer data.		
Reason for Year-to-Year Change:		
BY 2007-08 expenditures reflect fewer HCBS Waiver enrollments than in CY 2006-07.		

Federal Compliance

ASSUMPTIONS/METHODOLOGY (continued): CY 2006-07 BY 2007-08

- **Compliance with HCBS Waiver Requirements** \$9,200,000 \$9,200,000

Provides funding to ensure that the regional center system maintains compliance with the HCBS Waiver. Functions include maintaining service coordinator-to-consumer caseload ratios at not more than 1:62; performing quarterly face-to-face monitoring of consumers residing in out-of-home living arrangements; clinical consultation, monitoring, and review of consumers' medications; and developing and annually reviewing Waiver consumers' individual program plans and Client Developmental Evaluation Reports. See the attachment on page E-2.4 for fiscal CY and BY: \$3,950,000 GF Match, \$3,300,000 Targeted Case Management, \$1,950,000 Medicaid Administration
- **2006-07 Legislative Augmentation: Increase in Case Managers to Meet HCBS Waiver Requirements** \$3,200,000 \$3,320,000

An April 21, 2006 letter from the Centers for Medicare and Medicaid Services (CMS) indicated that the State must "review and revise, as needed, its policies to assure that the waiver participant to case manager ratio of 62:1 is consistently met." This augmentation by the California Legislature is intended to ensure further compliance. See the attachment on page E-2.5 for fiscal detail.

CY: \$1,600,000 GF Match, \$1,600,000 Targeted Case Management
BY: \$1,660,000 GF Match, \$1,660,000 Targeted Case Management

Change from Prior Estimate:

BY 2007-08 expenditures reflect a decrease in projected HCBS Waiver consumers from the 2007-08 November Estimate.

Reason for Year-to-Year Change:

BY 2007-08 expenditures reflect an increase in HCBS Waiver consumers from CY 2006-07.
- **Targeted Case Management** \$4,129,000 \$4,129,000

Operations costs for TCM activities in CY and BY are based upon 5.8% of 1995-96 TCM reimbursements of \$71,181,000. (100% General Fund)

Federal Compliance

ASSUMPTIONS/METHODOLOGY (continued): CY 2006-07 BY 2007-08

- **Nursing Home Reform/Pre-Admission Screening and Resident Review (PASRR)** \$623,000 \$623,000

Operations costs for regional centers to perform activities associated with NHR and to handle the increased workload of processing PASRR Levels I and II screening and evaluation activities. Persons determined to be eligible for services under the Lanterman Act will result in an increase in the number of consumers who require regional center case management and other specialized services. Regional centers, through clinical assessments, will identify individuals who meet the expanded federal definition of developmental disability.
(100% General Fund)

- **TOTAL EXPENDITURES** \$40,118,000 \$39,565,000

FUNDING:

See Assumptions/Methodology above for detail.

CHANGE FROM PRIOR ESTIMATE:

The expenditures have been updated using the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

See Assumptions/Methodology above for detail.

EXPENDITURES:	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$40,118,000	\$39,565,000
General Fund	\$33,268,000	\$32,655,000
<i>General Fund Match</i>	5,550,000	5,610,000
<i>General Fund Other</i>	27,718,000	27,045,000
Reimbursements	\$6,850,000	\$6,910,000
<i>Medicaid Administration</i>	1,950,000	1,950,000
<i>TCM</i>	4,900,000	4,960,000

Attachment

**Compliance with Home and Community-Based Services Waiver Requirements
(Operations)
CY 2006-07 and BY 2007-08**

	<u>Positions</u>	<u>Monthly Salary</u>	<u>Annual Salary</u>	<u>Annual Salary Cost</u>	<u>Benefit %</u>	<u>Annual Benefit Cost</u>	<u>Operating Expenses (OE) Annually PP</u>	<u>Rent Annually PP</u>	<u>Annual OE Total</u>	<u>Total Annual Salaries & OE (rounded)</u>
Service Coordinators	103.1	\$3,512	\$42,144	\$4,345,046	32.2%	\$1,399,105	\$4,248	\$4,200	\$870,989	\$6,600,000
Physicians	9.0	9,443	113,316	1,019,844	29.5%	300,854	7,632	5,388	117,180	1,400,000
Psychologists	13.7	4,824	57,888	793,066	28.4%	225,231	5,688	4,416	138,425	1,200,000
Totals	125.8			\$6,157,956		\$1,925,190			\$1,126,594	\$9,200,000
TOTAL EXPENDITURES:										\$9,200,000

FUNDING:

These positions are eligible for the following reimbursements: Targeted Case Management (TCM) (50% Federal Financial Participation (FFP)) and Medicaid Administration (75% FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

	CY 2006-07 and BY 2007-08
EXPENDITURES:	\$9,200,000
TOTAL	\$9,200,000
General Fund	\$3,950,000
<i>General Fund Match</i>	<i>3,950,000</i>
<i>General Fund Other</i>	<i>0</i>
Reimbursements	\$5,250,000
<i>Medicaid Administration</i>	<i>1,950,000</i>
<i>TCM</i>	<i>3,300,000</i>

Projects

DESCRIPTION:

This category of the regional center operating expenses includes various contracts, programs, and projects as described below:

ASSUMPTIONS/METHODOLOGY:

CY 2006-07 BY 2007-08

- **Information Technology Costs**

\$4,563,000 \$4,967,000

- Applications Support
- Data Processing

2,308,000 3,167,000
2,255,000 1,800,000

(100% GF)

Change from Prior Estimate and Reason for Year-to-Year Change:

Uniform Fiscal Systems is being renamed Applications Support. There is an increase due to Regional Center Operational Recovery, UFS Deferred Maintenance resulting from the CADDIS cancellation, and development of a Feasibility Study Report for a new information system. Data processing costs have decreased due to the cancellation of CADDIS.

- **Clients' Rights Advocacy**

\$4,694,000 \$5,121,000

The Department contracts with Protection and Advocacy, Inc., for clients' rights advocacy services for regional center consumers.
(100% GF)

Reason for Year-to-Year Change:

This contract is based on a per capita average cost. In BY 2007-08, the community population is estimated to increase by 8,200 consumers.

- **Life Quality Assessment**

\$4,519,000 \$4,739,000

The Department contracts with the State Council on Developmental Disabilities (SCDD) to conduct life quality assessments of consumers served by the regional centers. (100% GF)

Change from Prior Estimate:

The CY 2006-07 estimate was reduced by \$142,000 to reflect an adjustment for employee compensation.

Reason for Year-to-Year Change:

The number of assessments is estimated to increase by 420 in BY 2007-08.

Projects

CY 2006-07 BY 2007-08

ASSUMPTIONS/METHODOLOGY (continued):

- | | | |
|---|-------------|-------------|
| • Direct Support Professional Training | \$3,582,000 | \$3,582,000 |
|---|-------------|-------------|

Welfare and Institutions Code (WIC) Section 4695.2, Statutes of 1998, mandates all direct support service professionals working in licensed community care facilities to complete two 35-hour competency-based training courses or pass challenge tests within the first two years of employment. The Department contracts with the Department of Education which in turn administers the training through the Regional Occupational Centers and Programs. (80% of CY and BY costs are eligible for Home and Community-Based Services (HCBS) Waiver Administration: 50% GF Match/50% FFP.)

CY and BY: \$716,000 GF Other, \$1,433,000 GF Match, \$1,433,000 HCBS Waiver Administration

- | | | |
|--|-------------|-------------|
| • Office of Administrative Hearings | \$2,211,000 | \$2,211,000 |
|--|-------------|-------------|

Federal law requires the Department to have a process to adjudicate disputes involving Medicaid beneficiaries; both the fair hearing and mediation processes satisfy this requirement. The Department contracts with the Office of Administrative Hearings to: (1) conduct fair hearings to resolve conflicts between regional centers and their consumers. Section 4700 et seq. of the Lanterman Act requires regional centers to offer mediation to consumers whose services are proposed to be terminated, reduced, or suspended, and (2) provide mediation services. (100% GF)

- | | | |
|----------------------------|-------------|-------------|
| • Wellness Projects | \$1,490,000 | \$1,490,000 |
|----------------------------|-------------|-------------|

WIC Sections 4696 and 4646.5 contain requirements that are fulfilled through the Wellness Initiative. Project priorities are determined annually by a selection committee comprised of legislative staff, advocacy groups, consumers, regional center representatives and the Community Services and Supports Division within DDS. The types of projects generally fall into the following categories: health professional training programs, medication reviews, health assessments, specialty clinics, telemedicine, resource development for persons with a dual diagnosis, training programs for parents and consumers, and dental health programs and services. (100% GF)

- | | | |
|--|-------------|-------------|
| • Foster Grandparent/Senior Companion | \$1,149,000 | \$1,149,000 |
|--|-------------|-------------|

Through these programs, men and women, 60 years of age and older, devote up to 20 hours a week to help people with developmental disabilities lead more independent and productive lives.

CY and BY: \$693,000 GF, \$456,000 Federal Funds

Projects

CY 2006-07 BY 2007-08

ASSUMPTIONS/METHODOLOGY (continued):

<ul style="list-style-type: none"> ● Special Incident Reporting/Risk Assessment <p>The Department contracts for the services of an independent specialized risk-assessment and mitigation contractor, possessing a multidisciplinary capacity, to conduct key activities such as data analysis, training, mortality reviews, site reviews, and to provide services related to protecting the health, safety and well-being of consumers. (100% GF)</p>	\$833,000	\$833,000
<ul style="list-style-type: none"> ● Expansion of Autistic Spectrum Disorders Initiative <p>The Department contracts for services to:</p> <ul style="list-style-type: none"> ● Provide training to clinicians and other professionals to implement best practice guidelines for screening, diagnosis and assessment. ● Develop ASD best practice guidelines on effective interventions and interagency collaboration. ● Establish state and regional <i>ASD Resource Centers</i>. <p>(100% GF)</p>	\$780,000 <i>80,000</i> <i>600,000</i> <i>100,000</i>	\$0 <i>0</i> <i>0</i> <i>0</i>
<ul style="list-style-type: none"> ● Sherry S. Court Case <p>In 1981 the Supreme Court ruled <u>In Re Hop</u> that before an adult is admitted to a developmental center, he/she must be afforded due process through a court hearing to determine if such a placement is warranted. Subsequently, in the Sherry S. case, the court ruled that a conservator or parent of an adult has authority to admit that adult through the Hop process. This estimate reflects the regional center costs of processing Hop actions for regional center consumers. (100% GF)</p>	\$534,000	\$534,000
<ul style="list-style-type: none"> ● Movers Evaluation <p>Pursuant to WIC Section 4418.1, the Department contracts with an independent agency to track and monitor all persons moved from developmental centers into community settings to ensure they are receiving necessary services and supports. (100% GF)</p>	\$600,000	\$600,000
<ul style="list-style-type: none"> ● 2003-04 FFP Enhancement, Phase II <p>These costs are associated with legal support for federal program activities. (100% GF)</p>	\$530,000	\$530,000
<ul style="list-style-type: none"> ● University Enterprises, Inc. <p>The Department contracts with University Enterprises, Inc. for statistical forecasting assistance in estimating regional center costs. (100% GF)</p>	\$155,000	\$155,000

Projects

CY 2006-07 BY 2007-08

ASSUMPTIONS/METHODOLOGY (continued):

- | | | |
|---|------------|------------|
| <ul style="list-style-type: none"> ● Affordable Housing <p>In 1994, pursuant to the court decision commonly referred to as the Coffelt Settlement Agreement, funds were allocated to create affordable housing for persons with developmental disabilities. Funding was allocated on a per capita basis to four geographic regions throughout California to provide affordable housing to very low-income individuals receiving services from the regional centers. Annual loan forgiveness for the term of twenty years was stipulated to occur based on each project's compliance with the Standard and Regulatory Agreement. Fiscal review and site monitoring activities are required annually. Technical assistance on additional housing-related issues is obtained through an interagency agreement (IA) with the Department of Housing and Community Development (HCD) as needed. (100% GF)</p> <p>2006-07: \$90,000 (GF) was reappropriated from FY 2004-05 funds for consultant services.</p> | \$90,000 | \$90,000 |
| <ul style="list-style-type: none"> ● Cost Containment <p>2004-05 May Revision: This reflects savings that will be achieved through cost containment of regional centers' Operations expenditures. (100% GF)</p> | -\$490,000 | -\$490,000 |
| <ul style="list-style-type: none"> ● Capitol People First v. DDS <p>The Department has been contracting with a private law firm since September 1, 2002 to, in conjunction with the Office of the Attorney General, defend DDS, its director and other state agencies and their directors in the lawsuit entitled Capitol People First v. DDS. The case has proven to be much more complicated and costly than originally envisioned, which has resulted in contract amendments to reflect increased expenditures. There's a high probability that expenditures will occur in BY 2007-08, but the amount cannot be determined at this time.</p> <p>Reason for Year-to-Year Change:</p> <p>This estimate assumes the case will finalize in CY 2006-07. However, it is possible that a pending appeal may cause the contract to be extended in BY 2007-08, and some of the funds carried forward into that year.</p> | \$246,000 | \$0 |
| <ul style="list-style-type: none"> ● Self-Directed Services (SDS): Training and Development <p>In anticipation of the SDS program implementation expected to occur in January 2008, funding will be used for a contractor to develop a training curriculum (including training materials) to train staff at all 21 regional centers. (100% GF)</p> <p>Reason for Year-to-Year Change:</p> <p>This is a one-time cost to occur in BY 2007-08.</p> | \$0 | \$200,000 |

ProjectsCY 2006-07 BY 2007-08**ASSUMPTIONS/METHODOLOGY (continued):**

- **Real Choice Systems Change Grant** \$38,000 \$0

The Department was awarded a three-year federal grant beginning in FY 2003-04 for the purpose of: (a) designing a regional network to improve the quality of vendored services through training and direct support, and (b) researching, designing and implementing a consumer satisfaction survey that can be used statewide. (100% Federal Funds)

Change from Prior Estimate and Reason for Year-to-Year Change:

There is \$38,000 in CY 2006-07 funds for completion of the Real Choice Systems Project.

- **ProRata** \$3,000 \$0

(Developmental Disabilities Services Account)

- **TOTAL EXPENDITURES** \$25,527,000 \$25,711,000

FUNDING:

See Assumptions/Methodology above for detail.

CHANGE FROM PRIOR ESTIMATE:

The expenditures have been updated using the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

See Assumptions/Methodology above for detail.

CY 2006-07 BY 2007-08**EXPENDITURES:**

TOTAL	\$25,527,000	\$25,711,000
General Fund	\$23,597,000	\$23,822,000
<i>General Fund Match</i>	1,433,000	1,433,000
<i>General Fund Other</i>	22,164,000	22,389,000
Reimbursements	\$1,433,000	\$1,433,000
<i>HCBS Waiver Administration</i>	1,433,000	1,433,000
Developmental Disabilities Services Account	\$3,000	\$0
Federal Funds	\$494,000	\$456,000
<i>Foster Grandparent Program</i>	456,000	456,000
<i>Real Choice Systems Change Grant</i>	38,000	0

New Major Assumption

Department of Social Services' Dual Agency Proposal (Operations)

DESCRIPTION:

The California Department of Social Services (CDSS) is responsible for implementation of foster care rates and Adoption Assistance Program (AAP) benefits that are currently based on Department of Developmental Services' (DDS) residential rate structure. As a result of litigation regarding the current rate setting process, CDSS has developed a rate-setting methodology for the care and supervision of foster and adoptive children receiving services from both county welfare departments and regional centers. CDSS has kept DDS fully informed regarding their intentions and actions. CDSS has notified DDS that the proposed rate structure will be implemented in Trailer Bill language.

There will be a cost shift to the regional centers for purchase of services and supports. Some new foster and adoptive families entering the system will request additional respite and behavioral services from regional centers resulting in a fiscal impact on regional center purchase of service (see pages E-15.1 to 15.4 for purchase of service cost detail). These services and supports are critical to maintaining children in their foster or adoptive families, thus avoiding costly placements in residential care facilities.

The proposed rate methodology will result in a cost savings in Operations due to an expected decrease in administrative hearings and lawsuits associated with regional centers' level-of-care determinations for county welfare departments.

IMPLEMENTATION DATE:

July 1, 2007 with enactment of the Trailer Bill.

ASSUMPTIONS/METHODOLOGY:

- Regional centers estimate that CDSS' proposed rate methodology will result in approximately 10 fewer administrative hearings per year.
- The average cost of an administrative hearing is \$2,800 (10 hearings at \$2,800 = savings of \$28,000).
- BY 2007-08 savings reflects phased-in decrease of administrative hearings (5 hearings at \$2,800 = savings of \$14,000). Full-year savings of \$28,000 is expected in FY 2008-09.

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$0	-\$14,000
General Fund	\$0	-\$14,000
General Fund Match	0	0
General Fund Other	0	-14,000
Reimbursements	\$0	\$0

**Revised Major Assumption
Staffing for Self-Directed
Home and Community-Based Services Waiver
(Operations)**

DESCRIPTION:

This revised major assumption reflects changes in the implementation dates associated with the Self-Directed Services (SDS) program and reduces the number of initial enrollees during FY 2007-08.

REASON FOR CHANGE:

Originally approved in the Governor's 2005-06 Budget and funded for implementation in the Governor's 2006-07 Budget, the SDS program was delayed pending the outcome of the California Developmental Disabilities Information System (CADDIS). Subsequently, it has been determined that CADDIS will not be implemented; instead, modifications to the existing systems will need to be made to accommodate requirements specifically related to the SDS program.

Implementation of the SDS program is contingent on the Department applying for, and receiving approval of a Centers for Medicare & Medicaid Services (CMS) Self-Directed Home and Community-Based Services (SD-HCBS) Waiver. It is now anticipated that enrollment in the SDS Waiver will start in March 2008. Currently, the Department is actively working on aspects of the SDS program. Stakeholder review of draft regulations has been initiated in preparation of the rulemaking package, to be submitted to the Office of Administrative Law. Submittal of the SD-HCBS Waiver application to CMS will be coordinated to achieve a waiver effective date that coincides with the effective date of the regulations and implementation of the SDS program.

IMPLEMENTATION DATE:

Regional center staff will be phased in as indicated in the Assumptions below.

ASSUMPTIONS:

This major assumption reflects the need for regional center positions as follows:

- Add 1 Self-Directed Services Director (SDSD) position at each regional center, to be phased in six months prior to implementation of SDS at each regional center, and 1 Federal Compliance Coordinator (FCC) position to be phased in at the time of implementation at each regional center in accordance with the schedule below.

March, 2008: 2 regional centers	April, 2008: 3 regional centers
May, 2008: 3 regional centers	June, 2008: 3 regional centers
July, 2008: 3 regional centers	August, 2008: 2 regional centers
September, 2008: 3 regional centers	October 2008: 2 regional centers
- 1 additional FCC will be added for every 1,000 new SD-HCBS Waiver enrollees at each regional center.
- There will be approximately 400 new SDS program enrollees in FY 2007-08.
- The average annual salary for the FCC and SDSD positions will be \$57,437.
- Secretary positions will be added at a ratio of 1 for every 6 FCC and SDSD positions. The annual salary for secretaries is \$28,736.

**Revised Major Assumption
Staffing for Self-Directed
Home and Community-Based Services Waiver
(Operations)**

METHODOLOGY:

CY 2006-07 BY 2007-08

PERSONAL SERVICES:

	<u>Positions</u>	<u>Salary</u>		
• Administration				
• SDSD/FCC	1.00	\$57,437		57,437
• Secretary II (1:6 professionals)	0.17	\$28,736		4,885
• Total Positions and Salaries	1.17		\$0	\$62,322
• Fringe Benefits:	23.7%	Per Position		\$14,770
• Salary Savings:	5.5%	Per Position		-4,240
Total Personal Services			\$0	\$72,852

OPERATING EXPENSES:

• Operating Expenses:				
Professional Positions:	\$3,400	Per Position		\$3,400
Clerical Positions:	\$2,400	Per Position		408
• Rent:				
BY 2007-08	\$6,314	Per Position		7,387
Total Operating Expenses			\$0	\$11,195
TOTAL ANNUAL EXPENDITURES FOR 1.0 SDSD/FCC + SECRETARY			\$0	\$84,047

MONTHLY EXPENDITURES FOR 1.0 SDSD/FCC + SECRETARY

\$84,047 ÷ 12 mos. = \$7,004

2007-08 Cost per Month	# of Positions		Expenditures	
	<u>SDSD</u>	<u>FCC</u>	<u>SDSD + Secty</u>	<u>FCC + Secty</u>
July 07	0.0	0.0	\$0	\$0
Aug 07	0.0	0.0	0	0
Sep 07	2.0	0.0	14,008	0
Oct 07	5.0	0.0	35,020	0
Nov 07	8.0	0.0	56,032	0
Dec 07	11.0	0.0	77,044	0
Jan 08	14.0	0.0	98,056	0
Feb 08	16.0	0.0	112,064	0
Mar 08	19.0	2.0	133,076	14,008
Apr 08	21.0	5.0	147,084	35,020
May 08	21.0	8.0	147,084	56,032
Jun 08	21.0	11.0	147,084	77,044
Totals			\$966,552	\$182,104
TOTAL EXPENDITURES, FY 2007-08 (SDSD + FCC Phased In)				\$1,148,656
Rounded				\$1,149,000

**Revised Major Assumption
Staffing for Self-Directed
Home and Community-Based Services Waiver
(Operations)**

FUNDING:

Funding for SD-HCBS Waiver Administration is 50% FFP and 50% General Fund.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation is scheduled to begin in 2007-08.

EXPENDITURES:

CY 2006-07 BY 2007-08

TOTAL	\$0	\$1,149,000
General Fund		\$574,000
<i>General Fund Match</i>		574,000
<i>General Fund Other</i>		0
Reimbursements		\$575,000
<i>SD-HCBS Waiver Administration</i>		575,000

Community Care Facilities

DESCRIPTION:

Pursuant to Health and Safety Code Section 1502 (a)(1), (4), (5), or (6) and Section 1569.2(k), regional centers contract with Community Care Facilities (CCFs). CCFs are licensed by the Department of Social Services to provide 24-hour non-medical residential care to children and adults with developmental disabilities who are in need of personal services, supervision, and/or assistance essential for self-protection or sustenance of daily living activities.

KEY DATA/ASSUMPTIONS:

- CCF Population and Expenditure Data Source: UFS 203-0-S-0 and 203-0-S-7 Reports, dated 1/1/07. Data were adjusted for lag based on FY 2003-04 expenditures.
- Supplemental Security Income/State Supplementary Program (SSI/SSP) payment is a grant received by persons in CCFs from the Social Security Administration (the "SSI" portion), along with a supplemental payment from the State (the "SSP" portion). For individuals who receive SSI/SSP (an estimated 95.7% of persons in CCFs), the regional centers fund only the portion of the facility costs that is above the SSI/SSP level of payment (i.e., the "net" costs). Funds for the SSI/SSP grants are in the Department of Social Services' (DSS) budget. This factor is incorporated in the CCF estimate.

METHODOLOGY:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> Base: Actual FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08 the prior-year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> Prior Year Costs Prior Year Estimate Deduct Prior-Year CPP One-Time Costs SSI/SSP Increases Effective 1/1/07 and 1/1/08: Utilization Change/Growth: 	\$596,117,000 596,117,000 N/A -\$5,189,000 \$9,849,000	\$666,763,000 681,324,000 -14,561,000 -\$3,232,000 \$11,333,000

Effective 1/1/06, the SSI/SSP rate was \$898. The rate increased to \$916 on 1/1/07, and is assumed to increase to \$922 on 1/1/08. SSI/SSP rate increases will not be passed through to CCF providers, resulting in an offset to regional center costs.

These estimates were based on forecasting models specific to the April 2002 through October 2006 CCF population data.

An ARIMA (Auto Regressive Integrated Moving Average) model was used to forecast utilization change/growth. The ARIMA procedure models a discrete time series as a function of a constant, autoregressive terms, and moving-average terms.

Community Care Facilities

METHODOLOGY (continued):

CY 2006-07BY 2007-08

- **Utilization Change/Growth (continued):**

Estimated Population Growth:

CY 2006-07: 4,213 Person Months

BY 2007-08: 4,404 Person Months

Average Cost per Person Month:

CY 2006-07: \$2,338

BY 2007-08: \$2,573

- **Average Cost Increase:** \$14,307,000 \$15,423,000

Reflects the costs of consumers needing higher levels of CCF care than in the past.

The net base amount was multiplied by 2.4% to project the average cost increase. The 2.4% increase is based on the estimated increase in the average cost per person month from 2004-05 to 2005-06.

- **Service-Level Freeze:** In Base In Base

The Budget Act of 2003 included savings through freezing service-level increases for CCF providers. This freeze continues in CY 2006-07 and in BY 2007-08. Savings from this freeze are reflected in the CCF base.

- **CPP:** See Community Placement Plan, Pages E-16.1 to E-16.15, for the methodology detail. \$14,561,000 \$42,291,000

- **Placement / Deflection Continuation:** These are the continuing costs for consumers residing in CCFs who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection. See pages F-4.1 and F-4.3 for detail. \$17,796,000 \$33,534,000

(a) Placement 11,891,000 18,028,000

(b) Deflection 5,905,000 15,506,000

- **3% Rate Increase:** \$24,137,000 \$272,000

Effective July 1, 2006, a 3% provider rate increase was provided for CCFs. CY 2006-07 expenditures are included in the BY 2007-08 base. The BY 2007-08 expenditure amount reflects increased expenditures due to estimated consumer growth.

Community Care Facilities

METHODOLOGY (continued):

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> Collection of FFP for Contracted Services: Increased funding for the new administrative activity associated with record keeping for contracted expenditures was provided in the Budget Act of 2006. CY 2006-07 expenditures are included in the BY 2007-08 base. The BY 2007-08 expenditure amount reflects a projected increase in contracted services. 	\$10,000	\$4,000
<ul style="list-style-type: none"> Minimum Wage Increase: Recently enacted AB 1835 (Chapter 230, Statutes of 2006) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and will increase from \$7.50 to \$8.00 on January 1, 2008. See Section F, Auxiliary Tables, Charts and Graphs, page F-14, for a summary of all minimum wage increase costs. 	\$9,736,000	\$16,152,000
<ul style="list-style-type: none"> TOTAL EXPENDITURES 	\$681,324,000	\$782,540,000

FUNDING:

CCF expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver and the Title XX Block Grant, which includes Temporary Assistance for Needy Families (TANF). Based on actual FY 2004-05 billing data, approximately 80% of CCF expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2006-07 and 50% in BY 2007-08 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data including seven months of additional caseload and expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected caseload and expenditures.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$681,324,000	\$782,540,000
General Fund	\$407,650,000	\$484,689,000
General Fund Match	268,954,000	293,132,000
General Fund Other	138,696,000	191,557,000
Reimbursements	\$273,674,000	\$297,851,000
HCBS Waiver FFP	268,954,000	293,131,000
Title XX TANF	4,720,000	4,720,000

Medical Facilities

DESCRIPTION:

Pursuant to the Health and Safety Code, Sections 1250, 1255.6, and 1255.7, among others, the regional centers vendor Intermediate Care Facilities (ICFs) for consumers not eligible for Medi-Cal. ICFs are health facilities licensed by the Licensing and Certification Division of the State Department of Health Services to provide 24-hour-per-day services and certified for Medi-Cal reimbursement for services. The types of ICFs providing services for Californians with developmental disabilities are: ICF/DD (Developmentally Disabled), ICF/DD-H (Habilitative), ICF/DD-N (Nursing), and ICF/DD-CN (Continuous Nursing).

KEY DATA/ASSUMPTIONS:

- Assumptions regarding caseload and facility growth are based on the 2007-08 May Revision Regional Center Survey.
- The daily rates for 4 to 6 bed ICFs for CY 2006-07 and BY 2007-08 are provided by the Department of Health Services, effective August 1, 2006, as follows:
\$174.96 for DD-Hs, \$212.55 for DD-Ns, and \$391.20 for DD-CNs.
- Estimated New Consumers:

	<u>CY</u>	<u>BY</u>
DD-H	64	94
DD-N	123	156
- 3.7% of the consumers in Medical Facilities will not be funded by Medi-Cal; therefore, DDS will pay their Medical Facility costs.

METHODOLOGY:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> Base: For each fiscal year, the prior year estimate, with the following adjustments, was used as the base. 	\$9,908,000	\$10,947,000
Prior Year Estimate	12,476,000	14,086,000
Less Gap Resource Development in Base	-2,316,000	-1,860,000
Less Community Placement Plan One-Time Costs	-252,000	-1,279,000
<ul style="list-style-type: none"> Utilization Change/Growth: 	\$510,000	\$673,000
It is assumed that 3.7% of the persons in medical facilities will not be funded by Medi-Cal; therefore, DDS will pay their Medical Facility costs.		

Medical Facilities

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> Gap Resource Development: 	\$1,860,000	\$1,536,000
<ul style="list-style-type: none"> <ul style="list-style-type: none"> New Facilities: <p>Gap is the time period between licensure and certification of small health facilities when Medi-Cal does not cover any person's facility costs.</p> <p>In CY 2006-07, it is assumed 12 DD-H facilities will need gap funding for 2 consumers each for an average of 104 days, and 23 DD-N facilities will need gap funding for 2 consumers each for an average of 98 days. For BY 2007-08 it is assumed 16 DD-H facilities will need gap funding for 2 consumers each for an average of 60 days, and 28 DD-N facilities will need gap funding for 2 consumers each for an average of 60 days.</p>	1,674,000	1,350,000
<ul style="list-style-type: none"> Change of Ownership Facilities <p>It is estimated that two ICF/DD-H and two ICF/DD-N providers will sell their facilities during CY 2006-07 and BY 2007-08. This will result in having to pay for continued consumer care in the form of gap funding during the ownership transition period, which averages 90 days.</p>	186,000	186,000
<ul style="list-style-type: none"> Community Placement Plan: <p>These are costs for individuals moving from a developmental center into a Medical Facility. See Community Placement Plan, Pages E-16.1 to E-16.15, for the methodology detail.</p>	\$1,279,000	\$1,667,000

Medical Facilities

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
• Placement/Deflection Continuation:	\$529,000	\$7,961,000
These are the continuing costs for consumers residing in Medical Facilities who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after deflection. See pages F-4.1 and F-4.3 for detail.		
(a) Placement	304,000	7,961,000
(b) Deflection	225,000	0
• TOTAL EXPENDITURES	\$14,086,000	\$22,784,000

FUNDING:

Medical Facility expenditures are funded by the General Fund.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects the change in caseload from the current year to the budget year.

EXPENDITURES:

TOTAL	\$14,086,000	\$22,784,000
General Fund	\$14,086,000	\$22,784,000
General Fund Match	0	0
General Fund Other	14,086,000	22,784,000
Reimbursements	\$0	\$0

Day Programs

DESCRIPTION:

Day programs are community-based programs for individuals served by a regional center. Pursuant to Section 4648 of the Lanterman Act, day programs are available when those services are included in that person's Individual Program Plan. Day program services may be at a fixed location or out in the community.

Types of services available through a day program include:

- Developing and maintaining self-help and self-care skills.
- Developing the ability to interact with others, making one's needs known and responding to instructions.
- Developing self-advocacy and employment skills.
- Developing community integration skills such as accessing community services.
- Improving behaviors through behavior management.
- Developing social and recreational skills.

KEY DATA/ASSUMPTIONS:

- Day Program Consumer and Expenditure Data Source:
UFS 203-0-S-0 and 203-0-S-7 Reports, dated January 1, 2007. Data were adjusted for lag based on Fiscal Year (FY) 2003-04 expenditures.

METHODOLOGY:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
• Base: Actual FY 2005-06 expenditures were used to develop the Current Year (CY) 2006-07 base. For Budget Year (BY) 2007-08, the prior-year estimate, with the following adjustment, was used for the base:	\$620,337,000	\$697,963,000
• Prior Year Costs	620,337,000	
• Prior Year Estimate		700,781,000
• Less Community Placement Plan One-Time Costs		-2,818,000
• Utilization Change/Growth:	\$31,541,000	\$30,287,000

The population growth is estimated to be 30,950 person months in CY 2006-07 and 26,723 person months in BY 2007-08. The CY and BY estimates are based on a simple ARIMA model of Day Program consumer data from November 2001 through October 2006.

The CY person-month growth of 30,950 was multiplied by the estimated CY average monthly cost per person of \$1,019 to project CY utilization change/growth expenditures of \$31,541,000. The BY growth of 26,723 was multiplied by the average monthly cost per person of \$1,133 to project BY utilization change/growth expenditures of \$30,287,000.

Day Programs

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> Average Cost Increase: Reflects the cost of new community-based day programs. <p>CY 2006-07 base net costs of \$620,337,000 (which exclude the FY 2005-06 cost of Community Placement Plan [CPP] placements, rate adjustments and program changes) were multiplied by 1.1 percent to project an average cost increase of \$6,824,000. The 1.1 percent is based on the estimated increase in the average cost per person per month from FY 2004-05 to FY 2005-06. The BY 2007-08 base net costs of \$688,247,000 were also multiplied by 1.1 percent to project an average cost increase of \$7,571,000.</p>	\$6,824,000	\$7,571,000
<ul style="list-style-type: none"> Freeze Average Cost Increase: <p>The Budget Act of 2003 established a freeze on rate increases for community-based day programs. This freeze, which will continue through BY 2007-08, prohibits the Department from (1) establishing higher permanent payment rates for providers that have temporary payment rates in effect on or after June 30, 2003 and (2) approving program design modifications or revendorizations that would result in a higher rate which was in effect on June 30, 2003. Data through October 2006 was used for the 2007-08 May Revision; therefore, the impact of the rate freeze is reflected in the trends.</p> 	In Base	In Base
<ul style="list-style-type: none"> CPP: See Community Placement Plan, Pages E-16.1 to E-16.15, for the methodology detail. 	\$2,818,000	\$5,989,000
<ul style="list-style-type: none"> Placement/Deflection Continuation: <p>These are the continuing costs for consumers utilizing Day Programs who were moved from a developmental center into the community under the CPP in prior year. It is assumed these consumers will receive 12 months of services in the year after placement. See Pages F-4.1 through F-4.3 for detail.</p> 	\$2,873,000	\$5,784,000
<ul style="list-style-type: none"> Program Days Adjustment: <p>There will be three fewer program days in CY 2006-07 and one fewer program day in BY 2007-08.</p> 	-\$8,443,000	-\$3,093,000

Day Programs

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> Legislative Augmentation to Enhance Wages and Rates: <p>The Legislature provided a total of \$19.1 million in CY 2006-07 for a rate increase to enhance wages for direct care staff in Day Programs, Work Activity Programs, and Look-Alike Day Programs that meet specified criteria. Of this total, the Day Programs increase is estimated to be \$15,825,000. CY costs remain in the base for BY 2007-08.</p> 	\$15,825,000	\$1,060,000
<ul style="list-style-type: none"> 3 Percent Provider Rate Increase: <p>A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective July 1, 2006, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 May Revision, cost for all programs total \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p> 	\$19,282,000	\$1,003,000
<ul style="list-style-type: none"> Provider Resources for Collection of Federal Financial Participation (FFP) for Contracted Services: <p>This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in CY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$12.2 million and \$16.3 million in Home and Community-Based Services (HCBS) Waiver federal reimbursements that will be collected in CY 2006-07 and BY 2007-08, respectively. See Fund Sources, HCBS Waiver, for more information.</p> 	\$8,000	\$3,000

Day Programs

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
• Minimum Wage Increases	\$9,716,000	\$16,847,000
AB 1835 (Chapter 230, Statutes of 2006) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$26,350,000 and \$71,394,000 in CY 2006-07 and BY 2007-08, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Supported Living, and Respite Programs. Estimated costs reflected in CY 2006-07 remain in the base for BY 2007-08. See Section F, Auxiliary Tables, Charts and Graphs, page F-14, for a summary of minimum wage cost increases.		
• TOTAL EXPENDITURES	\$700,781,000	\$763,414,000

FUNDING:

Day Program expenditures are funded by the General Fund, HCBS Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families (TANF), and the Early Start Grant. Based on actual FY 2005-06 billing data, approximately 53 percent of Day Program expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50 percent in CY 2006-07 and 50 percent in BY 2007-08 is FFP. The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect seven months of additional caseload and expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects the net of a projected increase in caseload and a reduction in program days.

Day Programs

		<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:			
	TOTAL	\$700,781,000	\$763,414,000
	General Fund	\$448,216,000	\$496,012,000
	<i>General Fund Match</i>	183,722,000	199,016,000
	<i>General Fund Other</i>	264,494,000	296,996,000
	Reimbursements	\$241,946,000	\$257,240,000
	<i>HCBS Waiver FFP</i>	183,723,000	199,017,000
	<i>Title XX Social Services</i>	55,907,000	55,907,000
	<i>Title XX TANF</i>	2,316,000	2,316,000
	Federal Funds	\$10,619,000	\$10,162,000
	<i>Early Start Grant</i>	10,619,000	10,162,000

Habilitation Services Program

DESCRIPTION:

This estimate reflects the resources necessary for the Department of Developmental Services (DDS) to administer the Habilitation Services Program (HSP), as required in Section 2, Chapter 13 (commencing with Section 4850) of Division 4.5 of the Welfare and Institutions Code. These services currently are provided chiefly by the regional center under the authorization of the Lanterman Act (Welfare and Institutions Code 19350[b]), and are authorized under Section 4850.1 of Chapter 13 of Division 4.5 of the Welfare and Institutions Code.

Changes in caseload levels, Work Activity Program (WAP) consumer days attended, consumer work hours, Supported Employment Program (SEP) job coaching hours, and service provider rates affect WAP and SEP funding requirements and Home and Community-Based Services (HCBS) Waiver reimbursement funding. These changes require annual, and sometimes biannual, adjustments to WAP and SEP funding levels. Welfare and Institutions Code Section 4859(a) requires that WAP service provider rates be set biennially. Rates were last set in Fiscal Year (FY) 2000-01. AB 1753 (Chapter 225, Statutes of 2003) reduced WAP rates by 5 percent, effective July 1, 2003. AB 747 (Chapter 659, Statutes of 2003) suspended biennial rate adjustments for WAPs until July 1, 2006 (Welfare and Institutions Code Section 4859[b]).

Work Activity Program:

WAP services are provided, for the most part, in a sheltered setting, although sometimes services include work experiences in integrated group settings within the community.

These services are provided to individuals with developmental disabilities who are regional center consumers. Caseload growth is impacted by referrals from the regional centers. Services as identified in the regional center's Individual Program Plan are purchased for individuals for as long as necessary. WAP services are paid on a per-consumer-day basis.

Supported Employment Program:

Supported employment provides opportunities for persons with developmental disabilities to work in the community, in integrated settings, with support services provided by community rehabilitation programs. These services enable consumers to learn necessary job skills and maintain employment. SEPs provide services for individually employed consumers (Individual Placements), as well as consumers employed in group settings (Group Placements).

The caseload is affected by regional centers referring consumers for supported employment from WAPs, day programs, schools or other programs. Caseload is also impacted by employment opportunities within the community and the ability of consumers to obtain and maintain employment. These factors are critical as these services are only purchased when the consumer is employed.

For supported employment, Department of Rehabilitation's (DOR) Vocational Rehabilitation (VR) program provides (1) services leading to job development and placement and (2) the initial support services necessary for a person to become stable on the job. Once the person has learned the job tasks, is performing the job at a consistent level and needs minimal support services, the funding is transitioned to the regional center for a minimum of 60 days prior to closure of the consumer's VR program case. This assures that the consumer's stability is maintained for at least 60 days prior to VR case closure. The regional center continues to provide supported employment services throughout the term of employment. Consumers who are unsuccessful in the VR program have their cases closed and usually return to regional center-funded WAP services.

Habilitation Services Program

DESCRIPTION (continued):

Group Placement:

Group placements occur in the community (integrated setting), and consist of small groups of three to eight individuals with disabilities, either working at an employer's work site or rotating work assignments such as in janitorial or landscaping crews. The supported employment services that are provided include job skills training, supervision of work performed, and other on-the-job support services that enable the individuals to continue in employment. Generally, the services are provided full-time for all hours the individuals are in the work setting. VR normally funds the first three to six months of a group placement and the intake fee for new consumers. After stabilization, the consumer is transitioned to regional center funding.

AB 2779 (Chapter 329, Statutes of 1998) changed the methodology for paying for Group Placement job coaching from a per-consumer-hour basis to a per-job-coach-hour basis. Previously, providers had an individual rate per consumer hour for Group Placement services. In July 1, 2000, the Legislature approved a 3 percent increase in the job coaching rate to \$28.33 per hour.

These increases and the change in methodology from paying on a per-consumer-hour basis to a per-job-coach-hour basis for Group Placement led to significant increases in caseload and expenditures that created large deficiencies for FY 1999-00 and FY 2000-01. The growth in caseload is assumed to be a result of the service providers' ability to provide increased employment opportunities.

The increases in expenditures are directly related to the increase in participation (caseload, days attended, hours worked, job coaching hours). To control rising costs in FY 2002-03 and beyond, the Budget Trailer Bill (AB 444, Chapter 1022, Statutes of 2002) contained language amending Welfare and Institutions Code Section 19356.6(a) to increase the minimum number of DOR SEP consumers in a group from three to four.

The expected savings would be generated by creating fewer groups with the increase in caseload, thereby requiring fewer job coaching hours than if groups of three were established. Groups of three SEP consumers that were approved and working prior to July 1, 2002 (the effective date of the legislation) have until June 30, 2005 to achieve the new minimum size requirement. The FY 2004-05 Trailer Bill specifies the documentation service providers must submit to approve the extension of the funding for established groups of 1:3 until June 30, 2005.

In July 1, 2003, the Budget Trailer Bill (AB 1752, Chapter 225, Statutes of 2003) reduced the job coaching rate by 2.5 percent to \$27.62 per hour.

The Legislature increased the Budget Act of 2005 by \$1.4 million, restoring the SEP Group job coach ratio from 1:4 to 1:3. This amount is reflected in the base for Current Year (CY) 2006-07 and Budget Year (BY) 2007-08. On July 1, 2006, in the Budget Act of 2006, the Legislature approved a 24 percent increase in the job coaching rate to \$34.24 per hour.

Habilitation Services Program

DESCRIPTION (continued):

Individual Placement:

Individual Placements provide for individualized employment in the community. Consumers are traditionally hired directly by the employer, and are expected to become more independent over time. The supported employment services provided include job skill training, supervision of work performed, and other ancillary support services both on and off the job that enable the individual to continue in employment. The number of service hours provided is generally greater early in the job placement and decrease as the individual learns the job and is able to perform the job functions more independently. The initial, more intensive, job coaching services, as well as the intake and placement fees, are paid by VR. The regional center funds the job coaching once the consumer has stabilized (usually 20 percent intervention for 60 days).

AB 2779 (Chapter 329, Statutes of 1998) increased the hourly rate for Individual Placement job coaching to \$27.50 per job coaching hour. Previously, providers had an individual rate per job coach hour for Individual Placement (the statewide average job coaching rate was \$22.86 per hour). On July 1, 2000, the Legislature approved a 3 percent increase in the job coaching rate to \$28.33 per hour. These rate changes led to significant increases in caseload and expenditures that created large deficiencies for FY 1999-00 and FY 2000-01. The growth in caseload is assumed to be a result of the service providers' ability to provide increased employment. In July 1, 2003, the Budget Trailer Bill (AB 1752, Chapter 225, Statutes of 2003) reduced the job coaching hourly rate by 2.5 percent to \$27.62 per hour. On July 1, 2006, in the Budget Act of 2006, the Legislature approved a 24 percent increase in the job coaching rate to \$34.24 per hour.

KEY DATA/ASSUMPTIONS:

- Habilitation Services Expenditure Data Source:
UFS 203-0-S-0 and 203-0-S-7 Reports, dated January 1, 2007. Data were adjusted for lag based on FY 2003-04 expenditures.
- AB 747 (Chapter 659, Statutes of 2003) suspended the biennial rate adjustment for WAP until July 1, 2006. This suspended the need to collect cost statements beginning in FY 2003-04 while maintaining the rate freeze and the permanent simultaneous AB 1753 5 percent rate rollback. Subsequent Trailer Bill Language continued the rate freeze through BY 2007-08.
- Authorizing statute: Welfare and Institutions Code Sections 4850 through 4867.
- The DDS will use currently-established rates for the 2007-08 May Revision.
- The DDS will begin collecting BY 2007-08 cost reporting data in FY 2007-08 for rates that would be in effect commencing July 1, 2008.

Habilitation Services Program

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY:		
Work Activity Program:	\$64,084,000	\$65,913,000
<ul style="list-style-type: none"> Base: Actual FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior-year estimate, with the following adjustment, was used as the base. <ul style="list-style-type: none"> Prior Year Costs 60,668,000 Prior Year Estimate 64,084,000 Less Community Placement Plan One-Time Costs -2,000 Utilization Change/Growth: 144,000 455,000 <p>WAP expenditure data for the period November 2000 through October 2006 were used to update CY 2006-07 and BY 2007-08. A single input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should <u>not</u> be replicated in a forecasting model. One intervention variable was statistically significant. Starting July 2003, the FY 2003-04 biennial rate adjustment was suspended and there was a 5 percent reduction in rates.</p> CPP: See Community Placement Plan, Pages E-16.1 to E-16.15, for the methodology detail. 2,000 17,000 <ul style="list-style-type: none"> Placement Continuation: 42,000 3,000 <p>These are the continuing costs for consumers utilizing WAP services who were moved from a developmental center into the community under the Community Placement Plan in prior year. It is assumed these consumers will receive 12 months of services in the year after placement. See pages F-4.1 through F-4.3 for detail.</p> 		

Habilitation Services Program

CY 2006-07BY 2007-08

METHODOLOGY (continued):

Work Activity Program (continued):

- **3 Percent Rate Increase for Providers:** 1,898,000 4,000

A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective July 1, 2006, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 May Revision, cost for all programs total \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.
- **Minimum Wage Increases:** 961,000 1,349,000

AB 1835 (Chapter 230, Statutes of 2006) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$26,350,000 and \$71,394,000 in CY 2006-07 and BY 2007-08, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Respite Programs, and Supported Living. Estimated costs reflected in CY 2006-07 remain in the base for BY 2007-08. See Section F, Auxiliary Tables, Charts and Graphs, page F-14, for a summary of minimum wage cost increases.
- **Legislative Augmentation to Enhance Wages and Rates:** 369,000 3,000

The Legislature provided a total of \$19.1 million in CY 2006-07 for a rate increase to enhance wages for direct care staff in Day Programs, Work Activity Programs, and Look-Alike Day Programs that meet specified criteria. Of this total, the WAP increase is estimated to be \$369,000. CY costs remain in the base for BY 2007-08.

Habilitation Services Program

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
Supported Employment Program:	\$83,877,000	\$84,657,000
SEP costs are comprised of hourly-based services that are billed the month following the month services were provided.		
HSP Group Placement:	\$63,980,000	\$63,989,000
<ul style="list-style-type: none"> Base: Actual FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior-year estimate, with the following adjustments, was used as the base. <ul style="list-style-type: none"> Prior Year Costs Prior Year Estimate Less Community Placement Plan One-Time Costs Less CY 2006-07 Transfer of Job Coach Rate Increase Funds to DOR 	48,113,000	61,934,000
	48,113,000	63,980,000
		-159,000
		-1,887,000
<ul style="list-style-type: none"> Utilization Change/Growth: <p>HSP Group Placement expenditure data for the period November 2000 through October 2006 were used to update CY 2006-07 and BY 2007-08. A single input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. One intervention variable was statistically significant. Effective July 2000, the Legislature increased the hourly job coach rate to \$28.33.</p>	1,645,000	1,033,000
<ul style="list-style-type: none"> CPP: See Community Placement Plan, Pages E-16.1 to E-16.15, for the methodology detail. 	159,000	101,000
<ul style="list-style-type: none"> Placement Continuation: These are the continuing costs for consumers utilizing HSP Group Placement services who were moved from a developmental center into the community under the Community Placement Plan in prior year. It is assumed these consumers will receive 12 months of services in the year after placement. See Pages F-4.1 through F-4.3 for detail. 	18,000	279,000

Habilitation Services Program

CY 2006-07BY 2007-08

METHODOLOGY (continued):

Supported Employment Program (continued):

HSP Group Placement (continued):

- | | | |
|---|------------|---------|
| <ul style="list-style-type: none"> ● 3 Percent Rate Increase for Providers: <p>A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective July 1, 2006, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 May Revision, cost for all programs total \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p> | 1,454,000 | In Base |
| | | |
| <ul style="list-style-type: none"> ● Restoration of SEP Group Job Coach Ratio from 1:4 to 1:3: <p>The Legislature provided for an increase to the Budget Act of 2005.</p> | In Base | In Base |
| | | |
| <ul style="list-style-type: none"> ● Legislative Augmentation to Increase SEP Job Coach Rate: <p>The Legislature provided a total of \$15.9 million in CY 2006-07 for a rate increase to enhance wages for SEPs, both Group and Individual Placement, that meet specified criteria. Of the \$15.9 million, a total of \$2.4 million will be transferred to DOR via interagency agreement, of which \$1.9 million will be SEP Group Placement funds. CY costs remain in the base for BY 2007-08.</p> | 12,591,000 | 642,000 |

Habilitation Services Program

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
Supported Employment Program (continued):		
HSP Individual Placement:	\$19,897,000	\$20,668,000
<ul style="list-style-type: none"> Base: Actual FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior-year estimate, with the following adjustment, was used as the base. <ul style="list-style-type: none"> Prior Year Costs Prior Year Estimate Less Community Placement Plan One-Time Costs Less CY 2006-07 Transfer of Job Coach Rate Increase Funds to DOR 	15,209,000 15,209,000 	19,386,000 19,897,000 -9,000 -502,000
<ul style="list-style-type: none"> Utilization Change/Growth: <p>Monthly SEP Individual Placement expenditure data from November 2000 through October 2006 were used to update CY 2006-07 and BY 2007-08. A multiple input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. Two intervention variables were statistically significant. Effective July 2003, the hourly job coach rate was reduced to \$27.62 per AB 1752, and effective July 2006, the 3 percent rate increase for providers combined with the legislative augmentation to increase the SEP job coach rate increased the hourly rate from \$27.62 to \$34.24. See items below for more detail.</p> 	855,000	837,000
<ul style="list-style-type: none"> CPP: See Community Placement Plan, Pages E-16.1 to E-16.15, for the methodology detail. 	9,000	11,000
<ul style="list-style-type: none"> Placement Continuation: These are the continuing costs for consumers utilizing HSP Individual Placement services who were moved from a developmental center into the community under the Community Placement Plan in prior year. It is assumed these consumers will receive 12 months of services in the year after placement. See Pages F-4.1 through F-4.3 for detail. 	0	92,000

Habilitation Services Program

CY 2006-07BY 2007-08

METHODOLOGY (continued):

Supported Employment Program (continued):

HSP Individual Placement (continued):

- | | | |
|---|----------------------|----------------------|
| <ul style="list-style-type: none"> ● 3 Percent Rate Increase for Providers: <p>A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective July 1, 2006, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 May Revision, cost for all programs total \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p> | 477,000 | 8,000 |
| <ul style="list-style-type: none"> ● Legislative Augmentation to Increase SEP Job Coach Rate: <p>The Legislature provided a total of \$15.9 million in CY 2006-07 for a rate increase to enhance wages for SEPs, both Group and Individual Placement, that meet specified criteria. Of the \$15.9 million, a total of \$2.4 million will be transferred to DOR via interagency agreement, of which \$0.5 million will be SEP Individual Placement funds. CY costs remain in the base for BY 2007-08.</p> | 3,347,000 | 334,000 |
| <ul style="list-style-type: none"> ● TOTAL EXPENDITURES | \$147,961,000 | \$150,570,000 |

FUNDING:

Habilitation Services expenditures are funded by the General Fund, HCBS Waiver, and the Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families. Based on actual FY 2005-06 billing data, approximately 64 percent, 34 percent, and 27 percent of WAP, SEP Group, and SEP Individual Placement expenditures, respectively, are eligible for the HCBS Waiver reimbursement. Of the HCBS Waiver amount, 50 percent is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

Habilitation Services Program

CY 2006-07BY 2007-08

CHANGE FROM PRIOR ESTIMATE:

The caseload and expenditures have been updated and reflect the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

Historical increases or decreases to caseload are used as the basis, as no rate adjustments are authorized for budget year.

EXPENDITURES:

TOTAL	\$147,961,000	\$150,570,000
General Fund	\$100,629,000	\$100,395,000
<i>General Fund Match</i>	34,168,000	37,013,000
<i>General Fund Other</i>	66,461,000	63,382,000
Reimbursements	\$47,332,000	\$50,175,000
<i>HCBS Waiver FFP</i>	34,169,000	37,012,000
<i>Title XX Social Services</i>	13,163,000	13,163,000

Transportation

DESCRIPTION:

Pursuant to Sections 4501, 4502, 4512, and 4646, among others, of the Lanterman Act, regional centers contract with vendors to provide services and supports to all qualifying regional center consumers.

Transportation services are provided so persons with a developmental disability may participate in programs and/or other activities identified in the Individual Program Plan. A variety of sources may be used to provide transportation including: public transit and other providers; specialized transportation companies; day programs and/or residential vendors; and family members, friends, and others. Transportation services may include help in boarding and exiting a vehicle as well as assistance and monitoring while being transported.

KEY DATA/ASSUMPTIONS:

Transportation Expenditure Data Source:

UFS 203-0-S-0 and UFS 203-0-S-7 Reports, dated 1/1/07. Data were adjusted for lag based on FY 2003-04 expenditures.

METHODOLOGY:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> Base: Actual FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08 the prior year estimate, with the following adjustment, was used as the base: <ul style="list-style-type: none"> Prior Year Costs Prior Year Estimate Less Community Placement Plan One-Time Costs 	\$179,590,000 179,590,000 0	\$198,831,000 199,503,000 -672,000
<ul style="list-style-type: none"> Utilization Change/Growth: <p>CY 2006-07 and BY 2007-08 were re-estimated based on forecasting models specific to the November 2000 through October 2006 Transportation expenditure data (excluding CPP placement and placement continuation).</p> <p>A single input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA (Auto Regressive Integrated Moving Average) model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should <u>not</u> be replicated in a forecasting model. A transfer function was specified for June 2005, to remove one-time costs from the normal growth trend that had been identified for that month.</p>	\$11,865,000	\$9,950,000
<ul style="list-style-type: none"> CPP: See Community Placement Plan, Pages E-16.1 to E-16.15, for the methodology detail. 	\$672,000	\$1,367,000
<ul style="list-style-type: none"> Placement Continuation: These are the continuing costs for consumers utilizing Transportation services who were moved from a developmental center into the community under the Community Placement Plan in prior year. It is assumed these consumers will receive 12 months of services in the year after placement. See Pages F-4.1 through F-4.3 for detail. 	\$523,000	\$1,514,000
<ul style="list-style-type: none"> (a) Placement (b) Deflection 	522,000 1,000	1,514,000 0

Transportation

METHODOLOGY (continued):

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> Contracted-Services Rate Freeze <p>Effective 7/1/03, rates of Transportation, Supported Living and Look-Alike Day Program vendors were frozen. A 2% rate reduction was assumed and applied to forecasted expenditures of specified services, based on FY 2002-03 expenditure data. Starting with the 2005-06 November Estimate, it was assumed that all of the savings were in the historical trend.</p> <p>This freeze will continue through BY 2007-08 for the same programs.</p> 	<i>In Base</i>	<i>In Base</i>
<ul style="list-style-type: none"> 3% Provider Rate Increase: A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 Governor's Budget and the 2007-08 May Revision, cost for all programs totaled \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08. 	\$5,692,000	\$307,000
<ul style="list-style-type: none"> Provider Resources for Collection of FFP: This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs were set aside in CY 2006-07 for contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$12.2 million and \$16.3 million in Home and Community-Based (HCBS) Waiver federal reimbursements that will be collected in CY 2006-07 and BY 2007-08, respectively. See Fund Sources, HCBS Waiver, for more information. 	\$1,161,000	\$449,000
<ul style="list-style-type: none"> TOTAL EXPENDITURES 	\$199,503,000	\$212,418,000

Transportation

FUNDING:

Transportation expenditures are funded by the General Fund in 2006-07, Public Transportation Account in 2007-08, Home and Community-Based Services (HCBS) Waiver, the Early Start Grant, Vocational Rehabilitation (DOR), and the Title XX Block Grant. Based on actual FY 2004-05 HCBS Waiver billing data, approximately 49% of Transportation expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2006-07 and 50% in BY 2007-08 is federal financial participation (FFP). In CY 2006-07, the State General Fund portion is that which is non-FFP. In BY, the Public Transportation Account portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including 7 months of additional data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected expenditures.

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$199,503,000	\$212,418,000
General Fund	\$128,493,000	\$0
<i>General Fund Match</i>	50,685,000	0
<i>General Fund Other</i>	77,808,000	0
Public Transportation Account (PTA)	N/A	\$137,201,000
<i>PTA Match</i>	N/A	54,904,000
<i>PTA Other</i>	N/A	82,297,000 a/
Reimbursements	\$70,708,000	\$74,928,000
<i>HCBS Waiver FFP</i>	50,684,000	54,904,000
<i>Vocational Rehabilitation</i>	588,000	588,000
<i>Title XX Social Services</i>	18,651,000	18,651,000
<i>Title XX TANF</i>	785,000	785,000
Federal Funds	\$302,000	\$289,000
<i>Early Start Grant</i>	302,000	289,000

a/ \$82,297,000 in PTA Other funds (above) is partially offset by estimated savings of \$8,395,000 in the estimate titled "Increase ICF/DD, ICF/DD-H & ICF/DD-N Bundled Rate to Include Day Program and non-Medical Transportation," on pages E - 14.1 to E - 14.2, leaving total 2007-08 PTA funds of \$128,806,000 (\$137,201,000 - \$8,395,000 = \$128,806,000).

Support Services

DESCRIPTION:

Pursuant to Sections 4501, 4502, 4512, 4646, 4648 and 4689, among others, of the Lanterman Act, regional centers contract with vendors to provide services and supports to all qualifying regional center consumers. Support Services include a broad range of services to adults who choose to live in homes they themselves own or lease in the community.

Included in the Support Services expenditures are Independent Living Supplement payments to adults who are in independent living and supported living settings and receiving SSI/SSP grant payments from the Social Security Administration (the SSI portion), along with a supplemental payment from the State (the SSP portion). Regional centers have been supplementing these persons in the amount of the SSI/SSP grant reductions to assure that they will be able to remain in these settings instead of having to go into community care facilities.

KEY DATA/ASSUMPTIONS:

Support Services Expenditure Data Source:

UFS 203-0-S-0 and 203-0-S-7 Reports, dated 1/1/07. Data were adjusted for lag based on FY 2003-04 expenditures.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY:		
<ul style="list-style-type: none"> Base: Actual FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> Prior Year Costs Prior Year Estimate Less Community Placement Plan One-Time Costs Utilization Change/Growth: 	\$412,565,000 412,565,000 \$51,634,000	\$482,217,000 487,790,000 -5,573,000 \$46,382,000

CY 2006-07 and BY 2007-08 were re-estimated based on forecasting models specific to the November 2000 through October 2006 Support Services expenditure data (excluding CPP placement, placement continuation, and Performance Contract Award expenditures).

A single input transfer function model was used to forecast utilization change/growth. Unlike the simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. An intervention was found to be statistically significant for Support Services starting July 2006, assumed to be related to the 3% rate increase budgeted for providers of specified services. See item below for detail.

Support Services

CY 2006-07BY 2007-08

METHODOLOGY (continued):

To isolate the impact that the rising autism population has on expenditures, a forecast of the autism population was performed using an ARIMA model and added as an input into the Support Services data series. The autism population increase (intervention) was found to be insignificant in Support Services.

See Population, Page D-7, for a graph of the Autism caseload forecast.

- **CPP:** See Community Placement Plan, Pages E-16.1 to E-16.15, for the methodology detail. \$5,573,000 \$7,977,000
- **Placement/Deflection Continuation:** \$5,138,000 \$10,697,000
 These are the continuing costs for consumers utilizing Support Services who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection. See pages F-4.1 through F-4.3 for detail.

(a) Placement	4,555,000	7,841,000
(b) Deflection	583,000	2,856,000
- **Independent Living Supplement:** Based on Client Master File (CMF) data as of 2/5/07, it is estimated the following consumers will live in supported/independent living (SL/IL) arrangements. Of these totals, based on the 2007-08 May Revision Regional Center Survey (February 2007), estimated persons who are part of a couple, who will receive their monthly supplemental payment of \$53.14, as well as the remainder who will receive their monthly payments of \$41.60 as individuals, are also displayed. All consumers are assumed to receive their payments in each month of the fiscal year. Prior year costs remain in the base, therefore only the incremental costs are added.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
Total SL/IL Consumers	18,900	19,600
Part of a Couple	- 1,346	- 1,415
Individuals	17,554	18,185

Support Services

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> Contracted-Services Rate Freeze <p>Effective 7/1/03, rates of Transportation, Supported Living and Look-Alike Day Program vendors were frozen. A 2% rate reduction was assumed and applied to forecasted expenditures of specified services, based on FY 2002-03 expenditure data. Starting 2004-05, with the 2004-05 May Revision, it was assumed that 100% of the savings were in the historical trend; therefore 0% of the Support Services savings was reflected.</p> <p>This freeze will continue through BY 2007-08 for the same programs.</p> 	In Base	In Base
<ul style="list-style-type: none"> 3% Rate Increase for Providers: <p>A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 Governor's Budget and the 2007-08 May Revision, costs for all programs totaled \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p> 	\$10,859,000	\$1,379,000
<ul style="list-style-type: none"> Legislative Augmentation to Enhance Wages and Rates: <p>The Legislature provided a total of \$19.1 million in CY 2006-07 for a rate increase to enhance wages for direct care staff in Day Programs, Work Activity Programs, and Look-Alike Day Programs that meet specified criteria. Of this total, the Look-Alike Day Programs increase is estimated to be \$2,958,000. Of this \$2,958,000, \$946,000 are Support Service costs. Current year costs remain in the base for BY 2007-08.</p> 	\$946,000	\$105,000

Support Services

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> Minimum Wage Increases: <p>AB 1835 (Chapter 203, Statutes of 2006) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, with an additional increase to follow from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$26,350,000 and \$71,394,000 in CY 2006-07 and BY 2007-08, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Supported Living, and Respite Programs. Estimated costs reflected in CY 2006-07 remain in the base for BY 2007-08. See Section F, Auxiliary Tables, Charts and Graphs, page F-14, for a summary of minimum wage cost increases.</p>	\$1,157,000	\$2,227,000
<ul style="list-style-type: none"> TOTAL EXPENDITURES 	\$487,790,000	\$551,343,000

FUNDING:

Support Services expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families (TANF), and the Early Start Grant. Based on actual FY 2005-06 billing data, approximately 68% of Support Services expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2006-07 and 50% in BY 2007-08 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including 5 months of additional expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected expenditures.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$487,790,000	\$551,343,000
General Fund	\$306,524,000	\$357,636,000
<i>General Fund Match</i>	149,857,000	162,332,000
<i>General Fund Other</i>	156,667,000	195,304,000
Reimbursements	\$180,480,000	\$192,955,000
<i>HCBS Waiver FFP</i>	149,857,000	162,332,000
<i>Title XX Social Services</i>	24,966,000	24,966,000
<i>Title XX TANF</i>	5,657,000	5,657,000
Federal Funds	\$786,000	\$752,000
<i>Early Start Grant</i>	786,000	752,000

In-Home Respite

DESCRIPTION:

Pursuant to Section 4648, among others, of the Lanterman Act, regional centers contract with vendors to provide services and supports to all qualifying regional center consumers. In-Home Respite includes those services that are intermittent or regularly scheduled temporary non-medical care and/or supervision services provided in the consumer's home.

KEY DATA/ASSUMPTIONS:

In-Home Respite Expenditure Data Source:

UFS 203-0-S-0 and 203-0-S-7 Reports, dated 1/1/07. Data were adjusted for lag based on FY 2003-04 expenditures.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY:		
<ul style="list-style-type: none"> Base: Actual FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior year estimate, with the following adjustment, was used as the base: <ul style="list-style-type: none"> Prior Year Costs Prior Year Estimate Less Community Placement Plan One-Time Costs Utilization Change/Growth: 	<p>\$150,793,000</p> <p>150,793,000</p> <p>\$10,571,000</p>	<p>\$170,598,000</p> <p>170,621,000</p> <p>-23,000</p> <p>\$8,737,000</p>

CY 2006-07 and BY 2007-08 were re-estimated based on forecasting models specific to the November 2000 through October 2006 In-Home Respite expenditure data (excluding CPP placement and placement continuation).

A multiple input transfer function model was used to forecast utilization change/growth. Unlike a simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. Four interventions/events were found to be statistically significant. An intervention was identified beginning December 2002, possibly related to a spending holdback. Two additional events beginning October 2004, and December 2004, were assumed to be related to recent vouchered respite regulation changes. A fourth intervention was identified, starting July 2006, assumed to be related to the increase from the 3% rate increase for providers budgeted for specified services. See item below for detail.

In-Home Respite

CY 2006-07BY 2007-08

METHODOLOGY (continued):

To isolate the impact that the rising autism population has on expenditures, a forecast of the autism population was performed using an ARIMA model and added as an input into the In-Home Respite data series. The autism population increase (intervention) was found to be insignificant for In-Home Respite.

See Population, Page D-7, for a graph of the Autism caseload forecast.

- | | | |
|--|----------|-----|
| • CPP: See Community Placement Plan, Pages E-16.1 to E-16.15, for the methodology detail. | \$23,000 | \$0 |
|--|----------|-----|

- | | | |
|---|---------|----------|
| • Placement/Deflection Continuation: | \$6,000 | \$47,000 |
|---|---------|----------|

These are the continuing costs for consumers utilizing In-Home Respite services who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection. See Pages F-4.1 through F-4.3 for detail.

- | | | |
|----------------|-------|--------|
| (a) Placement | 6,000 | 47,000 |
| (b) Deflection | 0 | 0 |

- **In-Home Respite Service Agencies Rate Freeze**

The Budget Act of 2003 (Trailer Bill Language, AB 1762, Chapter 230, Statutes of 2003) froze rates for in-home respite service agencies, effective 7/1/03. Subsequent Trailer Bill Language continued the rate freeze through BY 2007-08.

In Base

In Base

Unless the regional center demonstrates to the Department that the following rate increases are necessary to protect the consumers' health or safety, regional centers would be prohibited from doing the following:

- Establishing any permanent payment rate for a provider that has a temporary payment rate in effect if the permanent payment rate would be greater than the temporary payment rate,
- Approving any program design modification or revendorization for a provider that would result in an increase in the rate to be paid to the vendor from the rate that is in effect, and

In-Home Respite

CY 2006-07BY 2007-08

METHODOLOGY (continued):

- Approving an anticipated rate adjustment for a provider that would result in an increase in the rate to be paid to the vendor from the rate that is in effect.

- **Family Cost Participation Program (FCPP):**

The FCPP was authorized by SB 1103 (Chapter 228, Statutes of 2004), requiring regional centers to assess a share of the cost of respite, day care and camping services to parents of developmentally disabled children from ages 3 through 17 who are non-Medi-Cal eligible and who live at home. The family share of cost is assessed a sliding fee of 5% - 80% on families with incomes greater than 400% of the federal income poverty level, based on income and family size, resulting in a purchased services savings for In-Home Respite, Out-of-Home Respite and Miscellaneous. The Department was required to report to the Legislature information collected during the first 12 months of implementation, including projections of annual costs and savings for FY 2005-06. Although the program was effective 1/1/05, savings would be phased in through December 2005. For the 2007-08 May Revision, a new estimating methodology that used actual expenditure data was designed. Based on this new methodology, a forecast, prepared by University Enterprises, Inc., estimated the total annual POS savings to the regional center system to be \$2,321,000 per year. This projection, which is consistent with the 2007 Report the the Legislature, is assumed to be in the historical trends. This program will sunset on June 30, 2009.

In Trends

In Trends

- **3% Rate Increase for Providers:**

\$4,460,000

\$160,000

A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment.

In-Home Respite

CY 2006-07 BY 2007-08

METHODOLOGY (continued):

This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 Governor's Budget and the 2007-08 May Revision, costs for all programs totaled \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.

- **Provider Resources for Collection of FFP for Contracted Svc:** \$12,000 \$4,000

This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in CY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$12.2 million and \$16.3 million in Home and Community-Based Services (HCBS) Waiver federal reimbursements that will be collected in CY 2006-07 and BY 2007-08, respectively. See Fund Sources, HCBS Waiver, for more information.

- **Minimum Wage Increases:** \$4,756,000 \$8,426,000

AB 1835 (Chapter 230, Statutes of 2006) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, with an additional increase to follow from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$26,350,000 and \$71,394,000 in CY 2006-07 and BY 2007-08, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Supported Living, and Respite Programs. Estimated costs reflected in CY 2006-07 remain in the base for BY 2007-08. See Section F, Auxiliary Tables, Charts and Graphs, page F-14, for a summary of minimum wage cost increases.

- **TOTAL EXPENDITURES** \$170,621,000 \$187,972,000

In-Home Respite

FUNDING:

In-Home Respite expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families (TANF), and the Early Start Grant. Based on actual FY 2005-06 billing data, approximately 52% percent of In-Home Respite expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2006-07 and 50% in BY 2007-08 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including 5 months of additional expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected expenditures.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$170,621,000	\$187,972,000
General Fund	\$100,242,000	\$114,110,000
General Fund Match	42,275,000	45,794,000
General Fund Other	57,967,000	68,316,000
Reimbursements	\$69,513,000	\$73,033,000
HCBS Waiver FFP	42,275,000	45,795,000
Title XX Social Services	13,829,000	13,829,000
Title XX TANF	13,409,000	13,409,000
Federal Funds	\$866,000	\$829,000
Early Start Grant	866,000	829,000

Out-of-Home Respite

DESCRIPTION:

Pursuant to Section 4648, among others, of the Lanterman Act, regional centers contract with vendors to provide services and supports to all qualifying regional center consumers. Out-of-Home Respite includes supervision services that are provided in licensed residential and day care facilities and camping services.

KEY DATA/ASSUMPTIONS:

Out-of-Home Respite Expenditure Data Source:

UFS 203-0-S-0 and 203-0-S-7 Reports, dated 1/1/07. Data were adjusted for lag based on FY 2003-04 expenditures.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY:		
<ul style="list-style-type: none"> Base: Actual FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior year estimate, with the following adjustment, was used as the base: <ul style="list-style-type: none"> Prior Year Costs Prior Year Estimate Less Community Placement Plan One-Time Costs Utilization Change/Growth: 	<p>\$44,957,000</p> <p>44,957,000</p> <p>\$4,305,000</p>	<p>\$49,450,000</p> <p>49,513,000</p> <p>-63,000</p> <p>\$4,846,000</p>

CY 2006-07 and BY 2007-08 were re-estimated based on forecasting models specific to the November 2000 through October 2006 Out-of-Home Respite expenditure data (excluding CPP placement, placement continuation, and Performance Contract Award expenditures).

A multiple input transfer function model was used to forecast utilization change/growth. Unlike a simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should not be replicated in a forecasting model. Two interventions/events were found to be statistically significant. A data point at July 2005 was abnormally high and, therefore, represented a one-point intervention. Another intervention beginning March 2006 was assumed to be related to the implementation of the Family Cost Participation Program (FCPP). See item below for more detail.

Further, to isolate the impact that the rising autism population has on expenditures, a forecast of the autism population was performed using an ARIMA model and added as an input into the Out-of-Home Respite data series. The autism population increase (intervention) was found to be insignificant in Out-of-Home Respite.

Out-of-Home Respite

CY 2006-07BY 2007-08

METHODOLOGY (continued):

See Population, Page D-7, for a graph of the Autism caseload forecast.

- **CPP:** See Community Placement Plan, Pages E-16.1 to E-16.15, for the methodology detail. \$63,000 \$181,000

- **Placement/Deflection Continuation** \$0 \$118,000

These are the continuing costs for consumers utilizing Out-of-Home Respite services who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection. See Pages F-4.1 through F-4.3 for detail.

- | | | |
|----------------|---|---------|
| (a) Placement | 0 | 118,000 |
| (b) Deflection | 0 | 0 |

- **Family Cost Participation Program (FCPP):** In Trends In Trends

The FCPP was authorized by SB 1103 (Chapter 228, Statutes of 2004), requiring regional centers to assess a share of the cost of respite, day care and camping services to parents of developmentally disabled children from ages 3 through 17 who are non-Medi-Cal eligible and who live at home. The family share of cost is assessed a sliding fee of 5% - 80% on families with incomes greater than 400% of the federal income poverty level, based on income and family size, resulting in a purchased services savings for In-Home Respite, Out-of-Home Respite and Miscellaneous. The Department was required to report to the Legislature information collected during the first 12 months of implementation, including projections of annual costs and savings for FY 2005-06. Although the program was effective 1/1/05, savings would be phased in through December 2005. For the 2007-08 May Revision, a new estimating methodology that used actual expenditure data was designed. Based on this new methodology, a forecast, prepared by University Enterprises, Inc., estimated the total annual POS savings to the regional center system to be \$2,321,000 per year. This projection, which is consistent with the 2007 Report to the Legislature, is assumed to be in the historical trends. This program will sunset on June 30, 2009.

Out-of-Home Respite

CY 2006-07

BY 2007-08

METHODOLOGY (continued):

- **Provider Resources for Collection of FFP for Contracted Services:** \$4,000 \$2,000

This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in CY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$12.2 million and \$16.3 million in Home and Community-Based Services (HCBS) Waiver federal reimbursements that will be collected in CY 2006-07 and BY 2007-08, respectively. See Fund Sources, HCBS Waiver, for more information.
- **3% Rate Increase for Providers:** \$160,000 \$2,000

A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 Governor's Budget and the 2007-08 May Revision, costs for all programs totaled \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.
- **Minimum Wage Increases:** \$24,000 \$43,000

AB 1835 (Chapter 230, Statutes of 2006) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, with an additional increase to follow from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$26,350,000 and \$71,394,000 in CY 2006-07 and BY 2007-08, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Supported Living, and Respite Programs. Estimated costs reflected in CY 2006-07 remain in the base for BY 2007-08. See Section F, Auxiliary Tables, Charts and Graphs, page F-14, for a summary of minimum wage increase costs.

Out-of-Home RespiteCY 2006-07 BY 2007-08**METHODOLOGY (continued):**

• TOTAL EXPENDITURES	\$49,513,000	\$54,642,000
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FUNDING:

Out-of-Home Respite expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance for Needy Families (TANF), and the Early Start Grant. Based on actual FY 2005-06 billing data, approximately 12% percent Out-of-Home Respite expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2006-07 and 50% in BY 2007-08 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected expenditures.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including 7 months of additional expenditure data.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$49,513,000	\$54,642,000
General Fund	\$25,228,000	\$30,128,000
<i>General Fund Match</i>	2,879,000	3,119,000
<i>General Fund Other</i>	22,349,000	27,009,000
Reimbursements	\$24,043,000	\$24,282,000
<i>HCBS Waiver FFP</i>	2,879,000	3,118,000
<i>Title XX Social Services</i>	7,869,000	7,869,000
<i>Title XX TANF</i>	13,295,000	13,295,000
Federal Funds	\$242,000	\$232,000
<i>Early Start Grant</i>	242,000	232,000

Health Care

DESCRIPTION:

Pursuant to Sections 4646 and 4648, among others, of the Lanterman Act, regional centers contract with vendors to provide services and supports to all qualifying regional center consumers. Health Care services include those that are medical/health care-related.

KEY DATA/ASSUMPTIONS:

Health Care Expenditure Data Source:

UFS 203-0-S-0 and 203-0-S-7 Reports, dated 1/1/07. Data were adjusted for lag based on FY 2003-04 expenditures.

METHODOLOGY:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> Base: Actual FY 2005-06 expenditures were used to develop the CY 2006-07 base. For BY 2007-08, the prior year estimate, with the following adjustments, was used as the base: <ul style="list-style-type: none"> Prior Year Costs Prior Year Estimate Less Community Placement Plan One-Time Costs Less Medicare Part D Rx Drug One-Time Costs 	<p>\$64,689,000</p> <p>64,689,000</p>	<p>\$71,340,000</p> <p>76,671,000</p> <p>-566,000</p> <p>-4,765,000</p>
<ul style="list-style-type: none"> Utilization Change/Growth: <p>CY 2006-07 and BY 2007-08 were re-estimated based on forecasting models specific to the November 2000 through October 2006 Health Care expenditure data (excluding CPP placement, placement continuation, and Performance Contract Award expenditures).</p> <p>A multiple input transfer function model was used to forecast utilization change/growth. Unlike a simple ARIMA model, the transfer function model accounts for the recent program changes/rate increases so that "normal growth" could be reflected exclusive of these program changes/rate increases that should <u>not</u> be replicated in a forecasting model. Two interventions/events were statistically significant: (1) the data point at June 2005 was abnormally high and, therefore, represented a one-point intervention, and (2) an event was identified starting January 2006, assumed to be related to the combined increases from the Medicare Part D Prescription Drug Benefit and the Medi-Cal Dental Cap for Adults. See items below for more detail.</p> 	<p>\$6,169,000</p>	<p>\$5,467,000</p>

Health Care

CY 2006-07BY 2007-08

METHODOLOGY (continued):

Further, to isolate the impact that the rising autism population has on expenditures, a forecast of the autism population was performed using an ARIMA model and added as an input into the Health Care data series. The autism population increase (intervention) was found to be a significant variable in Health Care.

See Population, Page D-7, for a graph of the Autism caseload forecast.

- **CPP:** See Community Placement Plan, Pages E-16.1 to E-16.15, for the methodology detail. \$566,000 \$1,775,000

- **Placement/Deflection Continuation:** \$336,000 \$1,163,000

These are the continuing costs for consumers utilizing Health Care services who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection. See Pages F-4.1 through F-4.3 for detail.

(a) Placement	336,000	1,163,000
(b) Deflection	0	0

- **Medi-Cal Dental Cap for Adults:** \$130,000 \$10,000

This was a new major assumption in the 2005-06 May Revision. Effective 1/1/06, a limit of \$1,800 per year was placed on dental services provided to qualified adults ages 21 years and older by the Department of Health Services. Regional centers would then be required to pay for costs that are greater than \$1,800 for their adult consumers on Medi-Cal. This major assumption was revised in the 2006-07 May Revision to reflect reduced prorated costs due to the reduced number of consumers exceeding their \$1,800 deductible within the last 6 months of FY 2005-06. Estimated costs reflected in CY 2006-07 remain in the base for BY 2007-08.

Health CareCY 2006-07BY 2007-08**METHODOLOGY (continued):**

- Medicare Part D Prescription Drug Benefit:**

\$4,765,000

\$4,765,000

Effective 1/1/06, a new federal law was enacted called the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA). This law designated Medicare as the primary benefit program when a person is dually eligible for both Medicare and Medi-Cal. Because some medications previously covered under Medi-Cal (pre-MMA) will no longer be covered under MMA, it is expected that all dually eligible regional center consumers will incur an additional medication cost. Estimated annual Purchase of Service costs totaling \$4,765,000 will be used to pay for (1) insurance plan premiums or (2) medications not covered by a selected plan that prior to MMA were covered by Medi-Cal, whichever is most cost effective. This was a new major assumption in the 2005-06 May Revision and revised in the 2006-07 May Revision to reflect ongoing costs and a smaller proportion of drugs excluded under Part D starting in FY 2006-07. Operations costs are also required in CY 2006-07 to fund enrollment brokers to assist consumers, families and providers in understanding the new program and to facilitate their enrollment in a plan that best meets their needs. See Section E, Operations, Staffing, for more information.

- Provider Resources for Collection of FFP for Contracted Services:**

\$16,000

\$6,000

This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in CY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$12.2 million and \$16.3 million in Home and Community-Based Services (HCBS) Waiver federal reimbursements that will be collected in CY 2006-07 and BY 2007-08, respectively. See Fund Sources, HCBS Waiver, for more information.

- TOTAL EXPENDITURES**

\$76,671,000

\$84,526,000

Health Care

FUNDING:

Health Care expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Temporary Assistance for Needy Families (TANF), and the Early Start Grant. Based on actual FY 2005-06 billing data, approximately 7% percent of Health Care expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2006-07 and 50% in BY 2007-08 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including 5 months of additional expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected expenditures.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$76,671,000	\$84,526,000
General Fund	\$69,038,000	\$76,789,000
General Fund Match	2,576,000	2,790,000
General Fund Other	66,462,000	73,999,000
Reimbursements	\$5,054,000	\$5,269,000
HCBS Waiver FFP	2,576,000	2,791,000
Title XX TANF	2,478,000	2,478,000
Federal Funds	\$2,579,000	\$2,468,000
Early Start Grant	2,579,000	2,468,000

Miscellaneous Services

CY 2006-07BY 2007-08

METHODOLOGY (continued):

Further, to isolate the impact that the rising autism population has on expenditures, a forecast of the autism population was performed using an ARIMA model and added as an input into the Miscellaneous Services data series. The autism population increase (intervention) was found to be insignificant in Miscellaneous Services.

See Population, Page D-7, for a graph of the Autism caseload forecast.

<ul style="list-style-type: none"> • CPP: See Community Placement Plan, Pages E-16.1 to E-16.15, for the methodology detail. 	\$33,761,000	\$35,847,000
<ul style="list-style-type: none"> • Placement/Deflection Continuation <p>These are the continuing costs for consumers utilizing Miscellaneous services who, under the Community Placement Plan in prior year, were (a) moved from a developmental center into the community or (b) deflected away from placement in a developmental center. It is assumed these consumers will receive 12 months of services in the year after placement/deflection. See Pages F-4.1 through F-4.3 for detail.</p>	\$842,000	\$2,986,000
<ul style="list-style-type: none"> <ul style="list-style-type: none"> (a) Placement (b) Deflection 	842,000 0	2,986,000 0
<ul style="list-style-type: none"> • Downsizing Large Facilities: A total of \$3,732,000 is in the base for each CY 2006-07 and BY 2007-08 for downsizing from larger facilities to smaller CCFs, MFs and Supported/Independent Living. 	In Base	In Base
<ul style="list-style-type: none"> • Suspension of Non-CPP Start-Up: This is continued through BY 2007-08; however, a one-time \$3 million augmentation was provided by the Legislature in CY 2006-07 to partially restore the annual suspended amount of \$5,962,000. See item following for more detail. 	In Base	In Base
<ul style="list-style-type: none"> • Legislative Augmentation for Targeted Start-Up: <p>The Legislature provided \$3,000,000 in one-time costs for start-up of targeted non-CPP supported work and day programs in CY 2006-07. This partially restored the \$5,962,000 suspension of non-CPP start-up mentioned above for CY 2006-07.</p>	\$3,000,000	\$0

Miscellaneous Services

CY 2006-07BY 2007-08

METHODOLOGY (continued):

- **Family Cost Participation Program (FCPP):**

In Trends

In Trends

The FCPP was authorized by SB 1103 (Chapter 228, Statutes of 2004), requiring regional centers to assess a share of the cost of respite, day care and camping services to parents of developmentally disabled children from ages 3 through 17 who are non-Medi-Cal eligible and who live at home. The family share of cost is assessed a sliding fee of 5% - 80% on families with incomes greater than 400% of the federal income poverty level, based on income and family size, resulting in a purchased services savings for In-Home Respite, Out-of-Home Respite and Miscellaneous. The Department was required to report to the Legislature information collected during the first 12 months of implementation, including projections of annual costs and savings for FY 2005-06. Although the program was effective 1/1/05, savings would be phased in through December 2005. For the 2007-08 May Revision, a new estimating methodology that used actual expenditure data was designed. Based on this new methodology, a forecast, prepared by University Enterprises, Inc., estimated the total annual POS savings to the regional center system to be \$2,321,000 per year. This projection, which is consistent with the 2007 Report to the Legislature, is assumed to be in the historical trends. This program will sunset on June 30, 2009.

- **Contracted-Services Rate Freeze**

In Base

In Base

Effective 7/1/03, rates of Transportation, Supported Living and Look-Alike Day Program vendors were frozen. A 2% rate reduction was assumed and applied to forecasted expenditures of specified services, based on FY 2002-03 expenditure data. Starting 2004-05, with the 2004-05 May Revision, it was assumed that 100% of the savings were in the historical trend; therefore 0% of the Miscellaneous Services savings was reflected.

This freeze will continue through BY 2007-08 for the same programs.

Miscellaneous Services

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
<ul style="list-style-type: none"> 3% Rate Increase for Providers: <p>A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchered respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 Governor's Budget and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 Governor's Budget and the 2007-08 May Revision, costs for all programs totaled \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p> 	\$1,727,000	\$315,000
<ul style="list-style-type: none"> Provider Resources for Collection of FFP for Contracted Svc: <p>This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in CY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. Operations costs were also required for additional staffing to implement this program. See Section E, Operations, Staffing, for more information. Total Operations and Purchase of Service costs will be more than offset by the additional estimated \$12.2 million and \$16.3 million in Home and Community-Based Services (HCBS) Waiver federal reimbursements that will be collected in CY 2006-07 and BY 2007-08, respectively. See Fund Sources, HCBS Waiver, for more information.</p> 	\$106,000	\$41,000
<ul style="list-style-type: none"> Legislative Augmentation to Enhance Wages and Rates: <p>The Legislature provided a total of \$19.1 million in CY 2006-07 for a rate increase to enhance wages for direct care staff in Day Programs, Work Activity Programs, and Look-Alike Day Programs that meet specified criteria. Of this total, the Look-Alike Day Programs increase is estimated to be \$2,958,000. Of this \$2,958,000, \$2,012,000 are Miscellaneous Services costs. Current year costs remain in the budget year base.</p> 	\$2,012,000	\$441,000

Miscellaneous Services

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
• Government Claims	-\$1,000	\$0
• TOTAL EXPENDITURES	\$268,941,000	\$318,028,000

FUNDING:

Miscellaneous Services expenditures are funded by the General Fund, Home and Community-Based Services (HCBS) Waiver, the Title XX Block Grant, which includes Social Services and Temporary Assistance to Needy Families (TANF), the Early Start Grant, and Program Development Funds. Based on actual FY 2005-06 billing data, approximately 20% of Miscellaneous Services expenditures are eligible for HCBS Waiver reimbursement. Of the HCBS Waiver eligible amount, 50% in CY 2006-07 and 50% in BY 2007-08 is federal financial participation (FFP). The State General Fund portion is that which is non-FFP.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most current available data, including 5 months of additional expenditure data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures in the budget year reflects an increase in projected expenditures.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$268,941,000	\$318,028,000
General Fund	\$213,560,000	\$260,980,000
<i>General Fund Match</i>	22,501,000	24,375,000
<i>General Fund Other</i>	191,059,000	236,605,000
Reimbursements	\$49,359,000	\$51,232,000
<i>HCBS Waiver FFP</i>	22,501,000	24,374,000
<i>Title XX Social Services</i>	13,518,000	13,518,000
<i>Title XX TANF</i>	13,340,000	13,340,000
Federal Funds	\$4,755,000	\$4,551,000
<i>Early Start Grant</i>	4,755,000	4,551,000
Program Development Funds	\$1,267,000	\$1,265,000

Increase ICF/DD, ICF/DD-H & ICF/DD-N Bundled Rate to Include Day Program and Non-Medical Transportation (Purchase of Services)

DESCRIPTION:

Summary

The State (Department of Health Services (DHS), the single State Medicaid agency) will pursue federal financial participation (FFP) through an amendment to its Medicaid State Plan for day program and non-medical transportation services received by regional center consumers residing in intermediate care facilities (ICF). For purposes of this assumption, ICF includes the Intermediate Care Facility/Developmentally Disabled, Intermediate Care Facility/Developmentally Disabled-Habilitation, and Intermediate Care Facility/Developmentally Disabled-Nursing.

Nature of Request

Redefine the ICF program as an “all-inclusive service”. Federal regulations allow for a broad definition of the services that can be provided in ICFs with reimbursement under the Medi-Cal program. Other states have been successful in defining their ICF programs more broadly to cover supports and services for individuals with developmental disabilities, thereby increasing their federal reimbursement under Medicaid. California will redefine services to include day program and non-medical transportation services now funded solely through state General Fund. Currently the total expenditures for these services are \$44 million to the state General Fund. Upon transition of these costs to the ICF programs (DHS), 50% of the costs would be eligible for FFP.

Background/History

Under the current State Plan, ICF services are available to eligible Medi-Cal beneficiaries who are regional center consumers. ICFs are licensed and certified as Medi-Cal providers by the DHS Licensing and Certification Division. Medi-Cal receives FFP at an approximate 50% ratio, for the cost of providing ICF services to these Medi-Cal recipients.

Currently Medi-Cal reimburses an ICF facility at a “bundled rate,” a single rate per consumer, per day that includes payment for all services required to maintain the consumer in the facility, as specified in Title 22, California Code of Regulations, Sections 54510.1 through 51510.3. These sections specify the Medi-Cal services that are not included in the per diem rate but are reimbursed separately. In addition to the Medi-Cal services that are provided to the residents of ICFs, the State also pays for day programs and the associated non-medical transportation as out-of-facility community services at 100% state General Fund dollars, when these services are part of the consumer’s individual program plan that is developed by the regional centers. These services are not Medi-Cal services and are not eligible as “stand-alone” Medi-Cal services.

Similar proposals to increase FFP for various services were included in the following:

- Legislative Analyst Office (December 2004) report;
- California Performance Review Committee (December 2004) report;
- Assembly Bill 2775 during the 2004-05 legislative session; and,
- Independent Contractor - PNP Associates (January 2003) report.

Include Day Program and Non-Medical Transportation Services

(Purchase of Services)

IMPLEMENTATION DATE:

Defer to DHS as implementation is dependent upon how soon DHS is able to have a State Plan Amendment approved by the Center for Medicare and Medicaid Services.

Funding must be maintained in the DDS budget for reimbursing adult day programs and associated non-medical transportation until the rates are transitioned to the ICF programs.

KEY DATA/ASSUMPTIONS/METHODOLOGY:

The adult day program costs are currently 100% state General Fund. Upon transitioning the costs to the ICF programs (DHS), 50% of the costs would be eligible for FFP.

In 2007-08, state transportation costs will be eligible for Public Transportation Account (PTA) funding. Upon transition of non-medical transportation costs to DHS, 50% would be eligible for FFP, with corresponding savings to the PTA.

Defer to DHS as lead, but DDS will work with DHS, regional centers and service providers to determine methodology for establishing revised ICF rates that address costs for day program and associated transportation.

FUNDING:

These costs are currently 100% state General Fund. State transportation costs will be eligible for PTA funding in 2007-08. Upon transitioning the costs to the ICF programs, 50% of the costs would be eligible for FFP with corresponding savings to the PTA.

CHANGE FROM PRIOR ESTIMATE:

No change

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
General Fund	\$0	-\$44,000,000
General Fund Match	0	0
General Fund Other	0	-\$35,605,000
Public Transportation Account	0	-\$8,395,000 a/

a/ \$8,395,000 in PTA savings (above) is offset by \$137,201,000 in the Transportation estimate on pages E - 8.1 to E - 8.3, resulting in total 2007-08 PTA funds of \$128,806,000 (\$137,201,000 - \$8,395,000 = \$128,806,000).

Cost Containment Summary (Purchase of Services)

DESCRIPTION:

Objectives are (1) to continue cost containment efforts in BY 2007-08 through proposals effectuated in earlier fiscal years, and (2) to continue existing and implement additional proposals in BY 2007-08 that will permanently contain service costs while offering flexibility and consistency in obtaining needed services.

ASSUMPTIONS:

In the current year, the Department is employing multiple means to reduce regional centers' expenditures, including the following:

CY 2006-07

- Continue Temporary Cost Containment Measures: Continue temporary cost containment measures in CY 2006-07 (unallocated reduction, rate freezes for contracted services, day programs/in-home respite and habilitation services, community care facility service-level freeze, non-community placement plan start-up suspension, and SSI/SSP pass through elimination). These temporary measures are proposed to contain costs temporarily until more permanent measures can be implemented.
- Continue Revision of Eligibility Definition: Reduce the intake population growth by prospectively applying the federal standard (PL 95-602 [1978] amended in 1996) for "substantial disability" to Lanterman Developmental Disabilities Services Act eligibility criteria, requiring a person to have deficits in at least three of the following seven life domains as described in California Code of Regulations, Title 17, Section 54001: communication skills; learning; self-care; mobility; self-direction; capacity for independent living; and economic self-sufficiency. Effective 7/1/03, this was a permanent measure estimated to result in a cumulative annual population reduction of 405 consumers.
- Reduced Growth Trend: Reduce growth trends due to the influence of cost cotainment measures.
- Continue Family Cost Participation Program: Implemented a Family Cost Participation Program (FCPP) effective January 1, 2005, for specified services purchased by regional centers for children 3-17 years of age whose parents have the ability to pay. Savings to the General Fund were phased in by the end of December 2005. This program sunsets on June 30, 2009.
- Self-Directed Services: Subject to approval by the Centers for Medicare and Medicaid Services of a 1915(c) Waiver, beginning BY 2007-08, the Department will implement a Self-Directed Services (SDS) model of funding and service delivery that will cap individual budgets in exchange for increased consumer control over services. The Budget Act of 2005 contains trailer bill language to implement the SDS program.
- Continue Rate Standardization Project: Through this project, cost containment/cost avoidance and rate standardization strategies related to selected services whose rates are negotiated will be developed. Regional centers have been surveyed on the use of selected service codes through a multi-year, three-phase survey process. The final phase of the survey process was initiated in January 2006. The Department awarded a consultant contract in November 2005, to provide assistance in analyzing the regional center service code survey data, and other specified service codes, and is evaluating the findings and recommendations. The Department plans to meet with stakeholders in early Summer 2007 to review and receive input and comments on draft regulations in response to the consultant's findings.

Cost Containment Summary (Purchase of Services)

ASSUMPTIONS (CY 2006-07 continued):

- Continue Supported Living Services Rate Standardization: The Department intends to implement revised supported living regulations. These regulations were based the Department's comprehensive review and analysis of supported living services (SLS) statute and regulation, regional center purchase of service policies for SLS, discussions of the SLS workgroup of the Service Delivery Reform Committee, SLS-related fair hearings for the most recent 3 years, annual SLS cost and utilization statistics from FY 1996-97 forward, and information gathering through interviews with staff at 7 regional centers and meetings with stakeholders, including Protection and Advocacy, Inc., Supported Living Network, State Council on Developmental Disabilities, ARCA, and consumer/parent representatives. The regulations will be implemented for the purpose of cost avoidance.

BY 2007-08

- Continue Temporary Measures: Continue temporary cost containment measures in BY 2007-08 (unallocated reduction, rate freezes for contracted services, day programs/in-home respite and habilitation services, community care facility service-level freeze, non-community placement plan start-up suspension, and SSI/SSP pass through elimination). These temporary measures are proposed to contain costs temporarily until more permanent measures can be implemented.
- Continue Revision of Eligibility Definition: See CY 2006-07 above for description.
- Continue Family Cost Participation Program: See CY 2006-07 above for description.
- Self-Directed Services: Subject to approval by the Centers for Medicare and Medicaid Services of a 1915(c) Waiver, beginning FY 2007-08, the Department will implement a Self-Directed Services (SDS) model of funding and service delivery that will cap individual budgets in exchange for increased consumer control over services. The Budget Act of 2005 contains trailer bill language to implement the SDS program. SDS is scheduled to be implemented through a phased-in enrollment of 400 individuals beginning March 2008.
- Continue Rate Standardization Project: No change from Governor's Budget. The Department will pursue additional necessary regulatory changes consistent with the Rate Standardization/Cost Avoidance Project.
- Continue Supported Living Services Rate Standardization: Based upon a comprehensive review and analysis of supported living services (SLS) statute, regulation, policy and practice, and input from regional centers and broadly representative stakeholders, in FY 2006-07 the Department developed draft regulations for the purpose of cost avoidance. These draft supported living regulations are currently in the formal regulatory review process.

Department of Social Services' Dual Agency Proposal (Purchase of Services)

DESCRIPTION:

The California Department of Social Services (CDSS) is responsible for implementation of foster care rates and Adoption Assistance Program (AAP) benefits that are currently based on Department of Developmental Services' (DDS) residential rate structure. As a result of litigation regarding the current rate setting process, CDSS has developed a rate-setting methodology for the care and supervision of foster and adoptive children receiving services from both county welfare departments and regional centers. The new rate setting methodology would place a rate cap of \$2,006 per month prospectively, which would ensure that a comprehensive and equitable rate-setting methodology is used throughout the State. CDSS has kept DDS fully informed regarding their intentions and actions. CDSS has notified DDS that the proposed rate structure will be implemented in Trailer Bill language.

There will be a cost shift to the regional centers for services and supports when the rate cap is implemented. Some new foster and adoptive families entering the system will request additional respite and behavioral services from regional centers resulting in a fiscal impact on regional center purchase of services. These services and supports are critical to maintaining children in their foster or adoptive families, thus avoiding costly placements in residential care facilities. Traditionally, foster families have not received respite services through the regional centers. With the change in rate structure, foster families also may request respite services from the regional center.

Since California has an entitlement program under the Lanterman Act, regional centers do not have the discretion to deny services related to a child's disability. Therefore, if additional funding to cover the increased costs that regional centers will incur is not approved, there will be an adverse impact on the regional center budgets. Conversely, if the proposed rate methodology is not implemented, regional centers will continue to incur costs for administrative hearings and lawsuits associated with their level of care determinations for county welfare departments.

IMPLEMENTATION DATE:

July 1, 2007, with enactment of the Trailer Bill.

Department of Social Services' Dual Agency Proposal (Purchase of Services)

KEY DATA/ASSUMPTIONS/METHODOLOGY:

- A. According to Department of Social Services (DSS), there are 5,636 DDS/regional center consumers under age 21 years who are also foster care children and/or adoptees receiving grants from \$425 per month to an estimated \$5,159 per month from their Foster Care and Adoption Assistance Program. Many of these recipients are also receiving regional center services. CDSS is proposing to place a cap on the maximum monthly grant paid on behalf of individuals entering their Foster Care and Adoption Assistance Program, according to the schedule displayed below. Of the existing 5,636 dual agency consumers, approximately 493 are receiving monthly grants that exceed the proposed monthly maximum of \$2,006 and are typically at the Community Care Facility Level 4I rate of \$5,159 per month. Since the cap would be applied prospectively, these families would retain their high rate until the children age out of the program. No new families entering this CDSS program would receive more than \$2,006 per month. Regional center services for this new group of dually served, lower rate families would be expected to increase.

<u>Foster Care and Adoption Assistance Program</u>	<u>Maximum Monthly Grant</u>		<u>Difference</u>
	<u>Current</u>	<u>Proposed</u>	
Under Age 3 Years	\$425	\$898	\$473
3 Years and Older	\$5,159 a/	\$2,006	-\$3,153

a/ Estimated

B. Estimate

1. According to DSS, children new to the Foster Care and Adoption Assistance Program number approximately 20 Adoption Assistance children and 48 foster care children annually. This estimate assumes a total of 68 new children per year, and none of them will age out of the program over the next 5 years.

Department of Social Services' Dual Agency Proposal (Purchase of Services)

KEY DATA/ASSUMPTIONS/METHODOLOGY (continued):

B. Estimate (continued):

2. Given the probability of multiple placements and other risk factors, it is further assumed for new foster care enrollees, 75% of them, or 36 children per year, will need a minimum of 16 hours of respite services per month at \$16.66* per hour. For Adoption Assistance enrollees, 75%, or 15 children, will also need the same respite services, and 50%, or 10 children, will need 8 hours of behavioral services per month at \$36.09** per hour. The remaining services, such as medical expenses, educational services including transportation and other services would be provided by generic resources. In addition, there is a cost savings in the reduction of Fair Hearings (according to regional center estimates 10 Fair Hearings per year at an average of \$2,800 each).
3. Assuming a July 1, 2007 operative date, and new consumers will be phased in evenly over the fiscal year, following is a summary of the cost to regional center purchased services over the next 5 years:

	<u>Adopted Children</u>		<u>Foster Care Children</u>		<u>Total Cost</u>
	<u>Person- Months</u>	<u>Monthly Cost</u>	<u>Person- Months</u>	<u>Monthly Cost</u>	
<u>Respite Svc</u>					
FY 2007-08	8	\$267	20	\$267	\$90,000
FY 2008-09	23	\$267	56	\$267	\$253,000
FY 2009-10	38	\$267	92	\$267	\$417,000
FY 2010-11	53	\$267	128	\$267	\$580,000
FY 2011-12	68	\$267	164	\$267	\$743,000
<u>Behavioral Services</u>					
FY 2007-08	5	\$289			\$17,000
FY 2008-09	16	\$289			\$55,000
FY 2009-10	26	\$289			\$90,000
FY 2010-11	36	\$289			\$125,000
FY 2011-12	46	\$289			\$160,000

* Average rate used by DDS.

** EDD California Labor Market

Department of Social Services' Dual Agency Proposal (Purchase of Services)

FUNDING:

These expenditures are assumed to be funded by the General Fund and the Home and Community-Based Services Waiver.

CHANGE FROM PRIOR ESTIMATE:

This is a new major assumption for BY 2007-08.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$0	\$107,000
General Fund		\$74,000
<i>General Fund Match</i>		33,000
<i>General Fund Other</i>		41,000
Reimbursements		\$33,000
HCBS Waiver		33,000

Revised Major Assumption Cost Containment: Self-Directed Services (Purchase of Services)

DESCRIPTION:

The Self-Directed Services (SDS) program enables consumers to have more control of their services and to manage a finite amount of funds allocated to an individual budget in order to pay for services specified in the consumer's Individual Program Plan (IPP). Intensive person-centered planning is required to develop an IPP and individual budget reflective of a consumer's need. Program and fiscal monitoring will be uniquely different in order to assure consumers receive necessary services and supports, consumer safeguards are established, cost neutrality required by Centers for Medicare & Medicaid Services (CMS) occurs, and state and federal funding is used for its intended purpose. In addition to the benefits of increased federal financial participation, the SDS program provides participants individual budget allocations which in the long-term have potential to slow regional center purchase of service growth trends.

This revised major assumption (RMA) reflects changes in the implementation dates associated with the SDS program, reduces the number of initial enrollees during FY 2007-08, and provides funding of one-time only services. These services are intended to assist prospective consumers to transition into SDS as described in statute (Welfare and Institutions Code Section 4685.7). Consistent with the SDS program statute and included in this RMA is a proposed technical change to establish a two-year encumbrance period for the SDS program (proposed Budget Bill Language below). The new assumptions proposed in this RMA are necessary for the implementation of the SDS program.

The Department of Developmental Services (DDS) seeks to establish the SDS model of funding and service delivery that will cap individual budgets in exchange for increased control over services. Pursuant to Welfare and Institutions Code Section 4685.7 and upon approval by the CMS of a 1915(c) Home and Community-Based Services (HCBS) Waiver, beginning FY 2007-08, DDS will implement SDS in all 21 regional centers. The Administration has continued to refine its proposal to implement the SDS program based on input from legislative staff and stakeholders. DDS anticipates a phase-in enrollment of an estimated 400 consumers in the SDS waiver program during the latter portion of FY 2007-08, reaching a maximum waiver enrollment of approximately 9,380 consumers over a five-year period. The individual budget allocation to consumers will result, in the aggregate, in a cost savings to the General Fund. Additionally, the SDS program proposes to achieve federal reimbursement for both consumer services (50/50 match) and for administrative effort. All services in the SDS program will be waiver "billable", resulting in 100 percent of the services allowed to receive federal reimbursement.

Regional centers will be required to coordinate implementation of the SDS program and to provide program monitoring in accordance to SDS Waiver requirements. This cost containment opportunity will require regional center staff to ensure that regional centers appropriately administer this unique service delivery, obtaining maximum revenue through appropriate service claiming and administrative efforts. Costs for these regional center Operations activities are reflected on pages E-3.10 to E-3.12 of this section.

REASON FOR CHANGE:

Originally approved in the 2005-06 Governor's Budget and funded for implementation in 2006-07, the SDS program was delayed pending the outcome of the California Developmental Disabilities Information System (CADDIS). Subsequently, it has been determined that CADDIS will not be implemented; instead, modifications to the existing system will need to be made to accommodate requirements specifically related to the SDS program.

Revised Major Assumption Cost Containment: Self-Directed Services (Purchase of Services)

REASON FOR CHANGE (continued):

Implementation of the SDS program is contingent on DDS applying for, and receiving approval of, a CMS/SDS Waiver. It is now anticipated that enrollment in the SDS Waiver will start in March 2008. Currently, the Department is actively working on aspects of the SDS program. Stakeholder review of draft regulations has been initiated in preparation of the rulemaking package, to be submitted to the Office of Administrative Law. Submittal of the SDS Waiver application to CMS will be coordinated to achieve a waiver effective date that coincides with the effective date of the regulations and implementation of the SDS program.

The SDS program is uniquely designed to ensure maximum opportunities for consumers to be fully integrated into the community. Consequently, services and supports in the SDS program are designed to be individually customized to meet the needs of the participant. According to statute, individuals eligible to receive SDS cannot reside in nor receive day services in traditionally designed group settings (i.e. group homes, workshops). However, individuals not initially eligible due to their living arrangement or day services at the time of enrollment may request the regional center to provide person centered planning in order for the individual to transition into the SDS program. This RMA requests one-time transition costs, averaging \$500 for each individual to enroll in the SDS program.

Prior to an individual's enrollment in SDS and based upon the individual budget methodology established by the Department, the regional center will present two maximum individual budget amounts from which to select for implementing his/her Individual Program Plan. Pursuant to SDS statute, "once a participant has selected an individual budget amount, that individual budget amount shall be available to the participant each year for the purchase of self-directed services until a new individual budget amount is determined." Because the individual budget can begin at any time throughout the fiscal year and continue for the next 12 consecutive months, it is necessary to make the SDS funds available for two fiscal years. Therefore, the following Budget Bill language is proposed:

Item 4300-101-0001

Provisions:

X. Of the funds appropriated in 10.10.020 - Purchase of Services, the amount identified by the Department for Self-Directed Services shall be available for encumbrance until June 30, 2009, and available for liquidation until June 30, 2010.

IMPLEMENTATION DATE:

The 2007-08 May Revision assumes implementation of the SDS program will begin on March 1, 2008. The schedule below phases-in enrollment at each regional center.

March 2008	2 regional centers	April 2008	3 regional centers
May 2008	3 regional centers	June 2008	3 regional centers
July 2008	3 regional centers	August 2008	2 regional centers
September 2008	3 regional centers	October 2008	2 regional centers

Revised Major Assumption Cost Containment - Self-Directed Services (Purchase of Services)

KEY DATA/ASSUMPTIONS:

The following assumptions have been revised to develop the estimated fiscal impact of program implementation:

- For the BY 2007-08 cost/savings estimate, it is assumed enrollment of participants will begin in March 2008, and 400 consumers will receive SDS by the end of the first year.
- The average cost per consumer per month for regional center Purchase of Services (POS) is estimated to be \$1,580. This is based on an average of the last quarter of FY 2004-05 and first quarter of FY 2005-06 expenditure data for 74,822 consumers. These consumers were all identified as meeting eligibility requirements for the Self-Directed Home and Community-Based Services (SDHCBS) Waiver. The cost estimate includes an adjustment for inflation to the BY 2007-08 level based on the Consumer Price Index.
- The average one-time transition cost per consumer is estimated to be \$500.

Without Self-Directed Services

- Total annual BY 2007-08 pre-SDS POS costs for 400 consumers (phased in over 4 months) are estimated to be \$1,264,000.

With Self-Directed Services

- With SDS, finite and individual budgets are assumed to be 90% of historical aggregate expenditures. Total BY 2007-08 costs for 400 consumers are estimated to be \$1,138,000 (phased in over 4 months).
- Participants will receive an individual budget allocation that will result, in the aggregate, in a 10% cost reduction.
- 5% of the consumer's budget will be set aside for the consumers' unanticipated needs.
- The remaining 5% will be a savings to the General Fund.
- 68% of the consumers participating in SDS will be eligible to be included in the SDHCBS Waiver; therefore, 68% of the total SDS costs will be 100% billable to the SDHCBS Waiver.
- 24% of the consumers on the Department's existing HCBS will transfer to the SDHCBS Waiver in BY 2007-08. This will result in a decrease in HCBS Waiver reimbursements (which is reflected in the HCBS Waiver estimate on page E-18.4). However, transfer from the HCBS Waiver will, generally, result in greater General Fund savings because more services under the SDHCBS Waiver are eligible for federal financial participation.

Revised Major Assumption Cost Containment - Self-Directed Services (Purchase of Services)

KEY DATA/ASSUMPTIONS (continued):	<u>CY 2006-07</u>	<u>BY 2007-08</u>
● Estimated SDS cost of services (90% x \$1,264,000 = \$1,138,000)	\$0	\$1,138,000
● Estimated pre-SDS cost for 400 consumers (\$1,580 x 4 months x .5 (phase-in) x 400 consumers)	<u>\$0</u>	<u>\$1,264,000</u>
● Difference = 10% Savings	\$0	-\$126,000
● 5% SDS Risk Pool Fund	\$0	\$63,000
● One-time Transition Costs	<u>\$0</u>	<u>\$200,000</u>
● Total Net Expenditures	\$0	\$137,000

FUNDING:

SDS will be funded by the General Fund and SDHCBS Waiver.

CHANGE FROM PRIOR ESTIMATE:

Implementation of 600 SDS enrollments beginning January 1, 2006 (assumed in the 2007-08 November Estimate) has been revised to 400 enrollments and delayed until March 1, 2008.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation begins in BY 2007-08.

EXPENDITURES:

TOTAL	\$0	\$137,000
General Fund	\$0	-\$125,000
<i>General Fund Match</i>	<i>0</i>	<i>262,000</i>
<i>General Fund Other</i>	<i>0</i>	<i>-450,000</i>
<i>SDS Risk Pool Fund</i>		<i>63,000</i>
Reimbursements	\$0	\$262,000
<i>SDHCBS Waiver</i>	<i>0</i>	<i>262,000</i>
SDS Risk Pool Fund	\$0	(\$63,000)

Community Placement Plan

DESCRIPTION:

This estimate is based on projected costs and historical experience derived from individualized assessments of community services and supports needs, and reflects what is actually needed to place an individual from the developmental center (DC) into the community and to deflect individuals who have been referred to the DC for potential admission. Community Placement Plans (CPPs) are developed through negotiations with each regional center (RC) and are based on individualized planning efforts.

This estimate reflects Operations and Purchase of Service (POS) resources needed to:

- Facilitate movement from the DC.
- Deflect the admission of these individuals to a DC.
- Stabilize current community living arrangements.
- Work with the DCs and families in identifying individuals for movement.

The CPP estimate is comprised of three components: Regular CPP, Unified CPP and Agnews Other CPP. Unified CPP represents a focused regional effort for resource development, placement and deflection in support of the June 30, 2008 closure of Agnews DC, and includes Operations and POS funding for the three Bay Area RCs: Golden Gate, East Bay and San Andreas. Agnews Other includes resources needed for any other RCs that will receive individuals into the community who are currently residing at Agnews DC. Regular CPP represents all other community placement costs associated with moving residents from DCs, excluding Agnews, into the community.

See Section G for a comprehensive status update on the Agnews Closure Plan.

CPP funding covers these Operations and POS categories:

OPERATIONS:

Personal Services:

- **Resource Development:** Positions needed to develop community living arrangements for consumers moving from DCs into the community. These positions are critical to developing living arrangements that will safely meet the challenges of people moving into the community.
- **Assessment:** Positions needed to identify DC residents ready for placement in community living arrangements. Proper comprehensive assessment is critical to community placement and should minimize re-admission to the DC and/or unstable and cost-inefficient community placement.
- **Placement:** Positions for placement activities. Individuals in the DCs have, on average, more complex "unique" placement needs that will be addressed by these staff. For the Unified Plan, one Nurse Consultant position (ongoing) is provided for every 25 consumers placed in SB 962 homes. These positions provide the statutorily-required, at least monthly, face-to-face health and medical oversight for persons living in SB 962 homes and participate in the development and monitoring of the Individual Health Care Plans required by SB 962. The funding for these positions was moved to CPP starting CY 2006-07, consistent with the Department's policy of including resource development and placement year costs in CPP. Ongoing funding for these positions is required in FY 2007-08.

Community Placement Plan

DESCRIPTION (continued):

Personal Services (continued):

- **Crisis Service Teams:** Positions for crisis services which include a behavioral team, a clinical team and an emergency response team.
- **Quality Management Staff:** Positions in the Unified Plan to conduct enhanced quality management activities that will apply to all new providers in the Unified Plan.

Operating Expenses:

Costs for office space, furniture, computers, travel, training and rent are included.

State Employees in the Community: As part of the Unified CPP, the Department will temporarily use Agnews employees to augment and enhance the services and supports needed to transition Agnews DC consumers into the community. Up to 200 state employees are proposed to work in the community service delivery for BY 2007-08. Clinical staff will be provided by Agnews employees to support consumers through the provision of clinical oversight and quality assurance activities. Staff will also provide direct client care. Salaries are based on equivalent state employee salaries.

Consultant Services – Technical Assistance on Housing Issues: Consultation services from the Department of Housing and Community Development, California Housing Finance Agency and others are needed to implement the requirements of AB 2100 and other related housing activities. Technical assistance will be provided to the Department on housing issues related to the Agnews DC Closure Plan, including, but not limited to, fiscal analysis, implementation of the Bay Area Housing Plan, and agreements among multiple contracting entities including RCs and proposed housing owners, developers and service providers. Consultants will also assist in the review of a long-term plan for managing and monitoring properties that will be purchased and will provide feedback and recommendations on the overall viability of the housing element.

Evaluation of SB 962 Pilots: A comprehensive evaluation of the SB 962 pilot project is required by statute and necessary, given the many complex policy, programmatic, and fiscal issues this innovative program presents. The evaluation will be conducted by an independent organization or agency which will present its findings in a report to the Legislature and Administration. Areas to be addressed in the evaluation include basic descriptive information about the facilities and clients, costs, consumer access to medical and dental services, extent of consumers' community integration and satisfaction, program staffing, effectiveness, etc. The evaluation is to be submitted by January 1, 2009.

Community Placement Plan

DESCRIPTION (continued):

PURCHASE OF SERVICES:

- **Expenditure Plan: Community Resource Development:** The Budget Act of 2004 appropriated \$11,115,000 General Fund to the Department to facilitate the development of community-based living options for the current residents of Agnews DC. This funding was reappropriated in the Budget Act of 2005.

On September 22, 2005, on behalf of the Department, the Department of Finance submitted an expenditure plan and the Bay Area Housing Plan, per Welfare and Institutions Code §4688.5 and the Budget Act of 2005, to the Joint Legislative Budget Committee (JLBC) for its review. The JLBC approved the expenditure plan on November 8, 2005.

- **Start-Up:** These costs are related to development of new facilities/programs and program expansion, including housing corporation costs: Formulation of non-profit agencies to assist low income consumers to acquire affordable housing and to increase the stock of affordable Bay Area housing through purchase, rehabilitation or construction of real property.
- **Assessment:** Individualized and comprehensive identification of consumer supports and services needs for stabilized community living.
- **Placement:** Consumers move into community settings based on consumer-specific information. This will include Unified CPP funding for up to 200 Agnews employees to augment and enhance the services that will be needed to transition Agnews consumers into the community for BY 2007-08. These employees have had long-term relationships with the transitioning consumers. They possess specialized knowledge, skills, and abilities and will assure the stability of living arrangements, continuity of services designed to meet the special needs of Agnews residents and the ongoing quality of care, health and safety. Agnews employees will provide direct care, direct clinical and therapeutic interventions, and crisis services. Salaries for this estimate are based on equivalent state employee salaries.
- **Deflection:** Placement POS for residential costs of facilities developed with CY CPP start-up to deflect admission from a DC. These facilities are developed based on a comprehensive analysis of DC admission data, current trends in needed services specific to the RC, and other local issues.

KEY DATA/ASSUMPTIONS:

- **Data Source:** For the 2007-08 May Revision, all CY 2006-07 and BY 2007-08 CPP costs have been updated, based on the CPPs received from the RCs in January 2007.
- Department of Health Services approved rates, as of August 2006, used for:
 - Intermediate Care Facilities/Developmentally Disabled – Nursing Facilities
 - Intermediate Care Facilities/Developmentally Disabled – Habilitation Facilities

Community Placement Plan

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY:		
• OPERATIONS TOTAL	\$18,767,000	\$21,378,000
• Regular CPP	10,922,000	12,971,000
• Unified Plan	7,845,000	8,407,000
• PURCHASE OF SERVICES TOTAL	\$59,486,000	\$97,223,000
• Regular CPP	41,255,000	52,978,000
• Agnews Unified Plan	17,324,000	42,532,000
• Agnews Other RCs	907,000	1,713,000
• TOTAL EXPENDITURES	\$78,253,000	\$118,601,000
• Total Regular CPP	52,177,000	65,949,000
• Total Agnews Unified Plan	25,169,000	50,939,000
• Total Agnews Other RCs	907,000	1,713,000

See pages E-16.6 to E-16.15 for detail.

FUNDING:

CPP expenditures are funded by the General Fund, Home and Community-Based Services Waiver, the Title XX Block Grant, and the Early Start Grant. For funding detail, please see the methodologies for the respective budget categories listed below.

CHANGE FROM PRIOR ESTIMATE:

The expenditures reflect the most recent individualized consumer data submitted by the RCs in January 2007 for Regular CPP and for Unified CPP.

REASON FOR YEAR-TO-YEAR CHANGE:

CPP costs were updated to reflect more recent cost information based on updated individualized consumer data.

Community Placement Plan

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$78,253,000	\$118,601,000
RC Operations	\$18,767,000	\$21,378,000
RC Purchase of Services	\$59,486,000	\$97,223,000
Community Care Facilities	14,561,000	42,291,000
Medical Facilities	1,279,000	1,667,000
Day Programs	2,818,000	5,989,000
Work Activity Program	2,000	17,000
Supported Employment Program: Group Placement	159,000	101,000
Supported Employment Program: Individual Placement	9,000	11,000
Transportation	672,000	1,367,000
Support Services	5,573,000	7,977,000
In-Home Respite	23,000	0
Out-of-Home Respite	63,000	181,000
Health Care	566,000	1,775,000
Miscellaneous Services	33,761,000	35,847,000

COMMUNITY PLACEMENT PLAN
OPERATIONS AND PURCHASE OF SERVICES
CY 2006-07

For the 2007-08 May Revision, all CPP costs have been updated.

CPP Activity	2007-08 Governor's Budget	2007-08 May Revision: CY 2006-07					CY 2006-07 Difference
		Regular	Agnews a/			Total	
			Unified Plan	Other RCs	Subtotal		
I. OPERATIONS	\$19,230,000	\$10,922,000	7,845,000	0	\$7,845,000	\$18,767,000	-\$463,000
II. PURCHASE OF SERVICES							
A. Start-Up	\$33,768,000	\$17,782,000	13,867,000	450,000	\$14,317,000	\$32,099,000	-\$1,669,000
B. Assessment	430,000 172 consumers	446,000 187 consumers	0 0 consumers	5,000 2 consumers	5,000 2 consumers	451,000 189 consumers	21,000 17 consumers
C. Placement	27,031,000 289 consumers	14,824,000 176 consumers	3,457,000 60 consumers	452,000 10 consumers	3,909,000 70 consumers	18,733,000 246 consumers	-8,298,000 -43 consumers
D. Deflection	8,563,000 152 consumers	8,203,000 137 consumers	0 0 consumers	0 0 consumers	0 0 consumers	8,203,000 137 consumers	-360,000 15 consumers
E. SUBTOTAL POS (A + B + C + D)	\$69,792,000	\$41,255,000	17,324,000	907,000	\$18,231,000	\$59,486,000	-\$10,306,000
III. TOTAL CPP (I. + II.E.)	\$89,022,000	\$52,177,000	25,169,000	907,000	\$26,076,000	\$78,253,000	-\$10,769,000 b/

a/ See Section G for a comprehensive status update on the Agnews Closure Plan.

b/ The CY 2006-07 estimate reflects a decrease from the 2007-08 Governor's Budget of 43 consumers being placed into the community from Agnews Developmental Center (DC). Per the Budget Act of 2006, Item 4300-003-0001, Provision 3 and Welfare & Institutions Code 4418.25 (d), funds allocated for CPP that are not used for that purpose may be transferred to Item 4300-003-0001 for expenditure in the state developmental centers if their populations exceed the budgeted level. Therefore, a Budget Revision is being processed to transfer \$3,208,000 in General Fund savings from the Regional Center POS budget to the DC budget, due to this decrease in community placements.

**COMMUNITY PLACEMENT PLAN
OPERATIONS AND PURCHASE OF SERVICES
BY 2007-08**

For the 2007-08 May Revision, all BY 2006-07 CPP costs were updated based on the CPPs received from the regional centers in January 2007.

CPP Activity	2007-08 Governor's Budget	2007-08 May Revision: BY 2007-08					BY 2007-08 Difference
		Regular	Agnews a/			Total	
			Unified Plan	Other RCs	Subtotal		
I. OPERATIONS	\$19,865,000	\$12,971,000	8,407,000	0	\$8,407,000	\$21,378,000	\$1,513,000
II. PURCHASE OF SERVICES							
A. Start-Up	\$39,848,000	\$20,255,000	10,158,000	775,000	\$10,933,000	\$31,188,000	-\$8,660,000
B. Assessment	430,000 172 consumers	647,000 214 consumers	0 0 consumers	0 0 consumers	0 0 consumers	647,000 214 consumers	217,000 42 consumers
C. Placement	44,623,000 321 consumers	20,198,000 176 consumers	32,374,000 178 consumers	938,000 10 consumers	33,312,000 188 consumers	53,510,000 364 consumers	8,887,000 43 consumers
D. Deflection	8,563,000 152 consumers	11,878,000 153 consumers	0 0 consumers	0 0 consumers	0 0 consumers	11,878,000 153 consumers	3,315,000 1 consumers
E. SUBTOTAL POS (A + B + C + D)	\$93,464,000	\$52,978,000	42,532,000	1,713,000	\$44,245,000	\$97,223,000	\$3,759,000
III. TOTAL CPP (I. + II.E.)	\$113,329,000	\$65,949,000	50,939,000	1,713,000	\$52,652,000	\$118,601,000	\$5,272,000

a/ See Section G for a comprehensive status update on the Agnews Closure Plan.

COMMUNITY PLACEMENT PLAN**Operations**

CY 2006-07

Current Year 2006-07					
Regular CPP		Agnews		Total CPP	
Positions	Cost	Positions	Cost	Positions	Cost

A. Operations Costs**1. Personal Services**

a. Resource Development	53.55	\$3,899,500	23.30	\$1,977,300	76.85	\$5,876,800
b. Quality Assurance/ Management	0.00	0	6.65	999,700	6.65	999,700
c. Assessment	25.90	1,789,100	6.85	890,300	32.75	2,679,400
d. Placement	37.30	2,648,000	19.00	1,452,000	56.30	4,100,000
e. Crisis Services Teams	8.10	1,299,300	0.00	0	8.10	1,299,300
f. Nurse Consultants for SB 962 Homes	0.00	0	1.82	103,000	1.82	103,000
g. Total Personal Services	<u>124.85</u>	<u>\$9,635,900</u>	<u>57.62</u>	<u>\$5,422,300</u>	182.47	\$15,058,200

2. Operating Expenses

a. Operating Expenses		\$414,800		\$185,800		\$600,600
b. Rent		793,300		354,500		1,147,800
c. Training, Travel, Consultants		78,000		85,000		163,000
d. Nurse Consultants for SB 962 Homes		0		17,000		17,000
e. Total Operating Expenses		<u>\$1,286,100</u>		<u>\$642,300</u>		<u>\$1,928,400</u>

3. Subtotal

(rounded)		\$10,922,000		\$6,064,600		\$16,986,600
		\$10,922,000		\$6,065,000		\$16,987,000

**B. State Employees
in the Community****1. Clinical Staff**

a. Personal Services		\$0		\$1,098,400		\$1,098,400
b. Operating Expenses		0		152,100		152,100
c. Total Clinical Staff (rounded)		<u>\$0</u>		<u>\$1,250,500</u>		<u>\$1,250,500</u>
		\$0		\$1,251,000		\$1,251,000

**C. Consultant Services:
Technical Assistance
on Housing Issues**

		<u>\$0</u>		<u>\$280,000</u>		<u>\$280,000</u>
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**D. Evaluation of SB 962
Pilots**

		<u>\$0</u>		<u>\$250,000</u>		<u>\$250,000</u>
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**E. Total (A + B + C + D)
(rounded)**

		\$10,922,000		\$7,845,100		\$18,767,100
		\$10,922,000		\$7,845,000		\$18,767,000

COMMUNITY PLACEMENT PLAN**Operations**

BY 2007-08

Budget Year 2007-08					
Regular CPP		Agnews		Total CPP	
Positions	Cost	Positions	Cost	Positions	Cost

A. Operations Costs**1. Personal Services**

a. Resource Development	53.75	\$4,772,500	22.80	\$2,133,800	76.55	\$6,906,300
b. Quality Assurance/ Management	6.80	594,800	9.00	958,300	15.80	1,553,100
c. Assessment	19.90	1,640,000	6.60	850,900	26.50	2,490,900
d. Placement	44.00	3,174,800	19.75	1,449,900	63.75	4,624,700
e. Crisis Services Teams	8.60	1,227,500	0.00	0	8.60	1,227,500
f. Nurse Consultants for SB 962 Homes	0.00	0	4.57	258,000	4.57	258,000
g. Total Personal Services	133.05	\$11,409,600	62.72	\$5,650,900	195.77	\$17,060,500

2. Operating Expenses

a. Operating Expenses		\$442,700		192,700		\$635,400
b. Rent		845,500		369,500		1,215,000
c. Training, Travel, Consultants		273,400		66,000		339,400
d. Nurse Consultants for SB 962 Homes		0		44,000		44,000
e. Total Operating Expenses		<u>\$1,561,600</u>		<u>\$672,200</u>		<u>\$2,233,800</u>

3. Subtotal

(rounded)		\$12,971,200		\$6,323,100		\$19,294,300
		\$12,971,000		\$6,323,000		\$19,294,000

**B. State Employees
in the Community****1. Clinical Staff**

a. Personal Services		\$0		\$1,432,100		\$1,432,100
b. Operating Expenses		0		121,900		121,900
c. Total Clinical Staff		<u>\$0</u>		<u>\$1,554,000</u>		<u>\$1,554,000</u>
(rounded)		\$0		\$1,554,000		\$1,554,000

**C. Consultant Services:
Technical Assistance
on Housing Issues**

	\$0	\$280,000	\$280,000
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**D. Evaluation of SB 962
Pilots**

	\$0	\$250,000	\$250,000
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**E. Total (A + B + C + D)
(rounded)**

	\$12,971,200	\$8,407,100	\$21,378,300
	\$12,971,000	\$8,407,000	\$21,378,000

Community Placement Plan
Purchase of Services
Summary of Costs by POS Category
Current Year 2006-07

For the 2007-08 May Revision, all CPP costs have been updated.

CPP Activity	# of Consumers	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	CY 2006-07 Total POS
		Community Care Facilities	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
A. Start-Up a/		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,099,000	\$32,099,000
B. Assessment	189	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$451,000	\$451,000
C. Placement	246	\$6,797,000	\$542,000	\$1,279,000	\$3,431,000	\$2,818,000	\$2,000	\$159,000	\$9,000	\$672,000	\$1,161,000	\$23,000	\$63,000	\$566,000	\$1,211,000	\$18,733,000
D. Deflection b/	137	\$7,102,000	\$120,000	\$0	\$981,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,203,000
E. 2007-08 MAY REV 2006-07 TOTAL c/		\$13,899,000	\$662,000	\$1,279,000	\$4,412,000	\$2,818,000	\$2,000	\$159,000	\$9,000	\$672,000	\$1,161,000	\$23,000	\$63,000	\$566,000	\$33,761,000	\$59,486,000
F. 2007-08 GOV'S BUDGET 2006-07 TOTAL		\$19,189,000	\$1,480,000	\$1,303,000	\$2,954,000	\$4,076,000	\$2,000	\$179,000	\$0	\$924,000	\$2,446,000	\$20,000	\$68,000	\$1,040,000	\$36,111,000	\$69,792,000
G. DIFFERENCE		-\$5,290,000	-\$818,000	-\$24,000	\$1,458,000	-\$1,258,000	\$0	-\$20,000	\$9,000	-\$252,000	-\$1,285,000	\$3,000	-\$5,000	-\$474,000	-\$2,350,000	-\$10,306,000

a/ Start-Up Cost: This is related to start-up funds needed for **147** new facilities/programs and **21** program expansions.

b/ A "deflection" is defined as a person who is in a community setting and who is deflected away from placement in a developmental center.

c/ The above start-up, assessment, placement and deflection amounts include **\$2,508,000** for State Employees in the Community (related to closure of Agnews Developmental Center).

Community Placement Plan
Purchase of Services
Summary of Costs by POS Category
Budget Year 2007-08

For the 2007-08 May Revision, all BY 2007-08 CPP costs were updated based on the CPPs received from the regional centers in January 2007.

CPP Activity	# of Consumers	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	BY 2007-08 Total POS
		Community Care Facilities	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
A. Start-Up a/		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$31,188,000	\$31,188,000
B. Assessment	214	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$647,000	\$647,000
C. Placement	364	\$31,558,000	\$2,192,000	\$499,000	\$3,912,000	\$5,989,000	\$17,000	\$101,000	\$11,000	\$1,367,000	\$1,896,000	\$0	\$181,000	\$1,775,000	\$4,012,000	\$53,510,000
D. Deflection b/	153	\$8,541,000	\$0	\$1,168,000	\$2,169,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,878,000
E. 2007-08 MAY REV 2007-08 TOTAL c/		\$40,099,000	\$2,192,000	\$1,667,000	\$6,081,000	\$5,989,000	\$17,000	\$101,000	\$11,000	\$1,367,000	\$1,896,000	\$0	\$181,000	\$1,775,000	\$35,847,000	\$97,223,000
F. 2007-08 GOV'S BUDGET 2007-08 TOTAL		\$32,044,000	\$3,185,000	\$718,000	\$3,006,000	\$5,277,000	\$2,000	\$179,000	\$0	\$1,222,000	\$1,618,000	\$1,000	\$68,000	\$2,328,000	\$43,816,000	\$93,464,000
G. DIFFERENCE		\$8,055,000	-\$993,000	\$949,000	\$3,075,000	\$712,000	\$15,000	-\$78,000	\$11,000	\$145,000	\$278,000	-\$1,000	\$113,000	-\$553,000	-\$7,969,000	\$3,759,000

a/ Start-Up Cost: This is related to start-up funds needed for **142** new facilities/programs and **17** program expansions.

b/ A "deflection" is defined as a person who is in a community setting and who is deflected away from placement in a developmental center.

c/ The above start-up, assessment, placement and deflection amounts include **\$7,663,000** for State Employees in the Community (related to closure of Agnews Developmental Center).

Community Placement Plan
Purchase of Services
Cost and Service Utilization Assumptions for Placements
Current Year 2006-07

For the 2007-08 May Revision, all CPP costs have been updated.

Living Arrangement	# of Consumers	% of Total	Consumer Months	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
Regular CPP																		
● Community Care Facilities (CCF) ● Residential Facilities Avg Cost/Consumer Mo	41	23%	143	\$610,000 \$4,266				\$357,000 \$2,497				\$49,000 \$343	\$245,000 \$1,713	\$1,000 \$7	\$1,000 \$7	\$18,000 \$126	\$322,000 \$2,252	\$1,603,000 \$11,211
● Specialized Residential Facilities (SRF) Avg Cost/Consumer Mo	79	45%	872	\$5,071,000 \$5,815				\$1,177,000 \$1,350		\$64,000 \$73		\$282,000 \$323	\$535,000 \$614		\$40,000 \$46	\$239,000 \$274	\$346,000 \$397	\$7,754,000 \$8,892
● Adult Family Home Agencies Avg Cost/Consumer Mo	1	1%	5		\$26,000 \$5,200			\$8,000 \$1,600				\$2,000 \$400	\$7,000 \$1,400			\$7,000 \$1,400	\$2,000 \$400	\$52,000 \$10,400
● Intermediate Care Facilities (ICF) Avg Cost/Consumer Mo	25	14%	158			\$718,000 N/A		\$259,000 \$1,639				\$68,000 \$430	\$42,000 \$266		\$8,000 \$51	\$49,000 \$310	\$346,000 \$2,190	\$1,490,000 \$4,886
● Supported Living Avg Cost/Consumer Mo	30	17%	225				\$2,912,000 \$12,942	\$424,000 \$1,884	\$2,000 \$9	\$95,000 \$422		\$104,000 \$462	\$186,000 \$827		\$9,000 \$40	\$124,000 \$551	\$69,000 \$307	\$3,925,000 \$17,444
Subtotal	176	100%	1,403	\$5,681,000	\$26,000	\$718,000	\$2,912,000	\$2,225,000	\$2,000	\$159,000	\$0	\$505,000	\$1,015,000	\$1,000	\$58,000	\$437,000	\$1,085,000	\$14,824,000
Agnews Other CPP																		
● CCF ● Residential Facilities Avg Cost/Consumer Mo	5	50%	26	\$109,000 \$4,192				\$83,000 \$3,192				\$12,000 \$462	\$32,000 \$1,231		\$4,000 \$154	\$10,000 \$385	\$3,000 \$115	\$253,000 \$9,731
● SRF 1 bed Avg Cost/Consumer Mo	1	10%	3	\$25,000 \$8,333		\$6,000 N/A				\$1,000 \$333		\$13,000 \$4,333				\$3,000 \$1,000		\$48,000 \$13,999
● SRF 3 bed Avg Cost/Consumer Mo	1	10%	3	\$25,000 \$8,333		\$6,000 N/A						\$6,000 \$2,000				\$3,000 \$1,000		\$40,000 \$11,333
● SRF 4 bed Avg Cost/Consumer Mo	3	30%	5	\$55,000 \$11,000		\$24,000 N/A				\$8,000 \$1,600		\$12,000 \$2,400		\$3,000 \$600	\$1,000 \$200	\$8,000 \$1,600		\$111,000 \$17,400
Subtotal	10	100%	37	\$214,000	\$0	\$36,000	\$0	\$83,000	\$0	\$0	\$9,000	\$43,000	\$32,000	\$3,000	\$5,000	\$24,000	\$3,000	\$452,000

Continued on next page.

Community Placement Plan
Purchase of Services
Cost and Service Utilization Assumptions for Placements
Current Year 2006-07 (continued)

Living Arrangement	# of Consumers	% of Total	Consumer Months	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
Agnews Unified CPP																		
● CCF																		
● Residential Facilities	4	7%	24	\$86,000				\$41,000				\$11,000						\$138,000
Avg Cost/Consumer Mo				\$3,583				\$1,708				\$458						\$5,749
● SRF 3-Bed - Hallmark RCEB	2	3%	4	\$78,000				\$13,000				\$2,000						\$93,000
Avg Cost/Consumer Mo				\$19,500				\$3,250				\$500						\$23,250
Transition Costs a/				\$38,000														\$38,000
● SRF 3-Bed - SARC	4	7%	16	\$151,000				\$28,000				\$6,000					\$2,000	\$187,000
Avg Cost/Consumer Mo				\$9,438				\$1,750				\$375					\$125	\$11,688
Transition Costs a/				\$0														\$0
● SRF 3-Bed - Hallmark SARC	1	1%	1	\$20,000				\$2,000				\$1,000						\$23,000
Avg Cost/Consumer Mo				\$20,000				\$2,000				\$1,000						\$23,000
Transition Costs a/				\$10,000														\$10,000
● SRF 4-Bed - Hallmark RCEB	2	4%	4	\$126,000				\$13,000				\$2,000						\$141,000
Avg Cost/Consumer Mo				\$31,500				\$3,250				\$500						\$35,250
Transition Costs a/				\$0														\$0
● SRF 4-Bed - Hallmark SARC	4	7%	6	\$85,000				\$10,000				\$4,000						\$99,000
Avg Cost/Consumer Mo				\$14,167				\$1,667				\$667						\$16,501
Transition Costs a/				\$47,000														\$47,000
● SB 962 4-Bed Hallmark GGRC	4	7%	10	\$219,000				\$30,000				\$6,000						\$255,000
Avg Cost/Consumer Mo				\$21,900				\$3,000				\$600						\$25,500
Transition Costs a/				\$7,000														\$7,000
● SB 962 5-Bed Hallmark SARC	1	1%	1	\$19,000				\$2,000				\$1,000						\$22,000
Avg Cost/Consumer Mo				\$19,000				\$2,000				\$1,000						\$22,000
Transition Costs a/				\$16,000														\$16,000
● Adult Family Home Agencies																		
● Adult Family Home	5	8%	26		\$153,000			\$46,000				\$17,000						\$216,000
Avg Cost/Consumer Mo					\$5,885			\$1,769				\$654						\$8,308
● Family Teaching Home (FTH)																		
Hallmark SARC	7	12%	21		\$286,000			\$36,000				\$14,000						\$336,000
Avg Cost/Consumer Mo					\$13,619			\$1,714				\$667						\$16,000
Transition Costs a/					\$77,000													\$77,000
● ICF	19	32%	117			\$525,000		\$261,000				\$55,000	\$66,000			\$67,000	\$110,000	\$1,084,000
Avg Cost/Consumer Mo						N/A		\$2,231				\$470	\$564			\$573	\$940	\$4,778
● Supported Living	5	8%	35				\$519,000	\$8,000				\$2,000				\$1,000		\$530,000
Avg Cost/Consumer Mo							\$14,829	\$229				\$57				\$29		\$15,144
● Other (Own Home, etc.)	2	3%	24					\$20,000				\$3,000	\$15,000	\$19,000		\$26,000		\$83,000
Avg Cost/Consumer Mo								\$833				\$125	\$625	\$792		\$1,083		\$3,458
● Additional Services & Supports b/													\$33,000	\$0	\$0	\$11,000	\$11,000	\$55,000
Subtotal	60	100%	289	\$902,000	\$516,000	\$525,000	\$519,000	\$510,000	\$0	\$0	\$0	\$124,000	\$114,000	\$19,000	\$0	\$105,000	\$123,000	\$3,457,000
TOTAL	246	100%	1,729	\$6,797,000	\$542,000	\$1,279,000	\$3,431,000	\$2,818,000	\$2,000	\$159,000	\$9,000	\$672,000	\$1,161,000	\$23,000	\$63,000	\$566,000	\$1,211,000	\$18,733,000

a/ Represents temporary lease payments needed until the home is fully occupied. Total cost for specific residence type = facility line item cost + transition cost.

b/ Supplemental services needed to support an individual for pre-placement and for the initial period of placement.

Community Placement Plan
Purchase of Services
Cost and Service Utilization Assumptions for Placements
Budget Year 2007-08

For the 2007-08 May Revision, all BY 2007-08 CPP costs were updated based on the CPPs received from the regional centers in January 2007.

Living Arrangement	# of Consumers	% of Total	Consumer Months	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
Regular CPP																		
● Community Care Facilities (CCF) ● Residential Facilities Avg Cost/Consumer Mo	25	14%	177	\$746,000 \$4,215				\$412,000 \$2,328	\$17,000 \$96		\$11,000 \$62	\$65,000 \$367	\$521,000 \$2,944		\$11,000 \$62	\$4,000 \$23	\$567,000 \$3,203	\$2,354,000 \$13,300
● Specialized Residential Facilities (SRF) Avg Cost/Consumer Mo	99	56%	673	\$7,702,000 \$11,444				\$1,491,000 \$2,215		\$69,000 \$103		\$322,000 \$478	\$508,000 \$755		\$128,000 \$190	\$332,000 \$493	\$504,000 \$749	\$11,056,000 \$16,427
● Intermediate Care Facilities (ICF) Avg Cost/Consumer Mo	20	11%	131	\$21,000 \$160		\$499,000 N/A		\$437,000 \$3,336				\$79,000 \$603	\$346,000 \$2,641		\$6,000 \$46	\$37,000 \$282	\$448,000 \$3,420	\$1,873,000 \$10,488
● Supported Living Avg Cost/Consumer Mo	31	18%	224				\$3,545,000 \$15,826	\$346,000 \$1,545		\$32,000 \$143		\$82,000 \$366	\$212,000 \$946		\$5,000 \$22	\$84,000 \$375	\$544,000 \$2,429	\$4,850,000 \$21,652
● Other (Own Home, etc.) Avg Cost/Consumer Mo	1	1%	6					\$31,000 \$5,167				\$11,000 \$1,833	\$9,000 \$1,500			\$1,000 \$167	\$13,000 \$2,167	\$65,000 \$10,834
Subtotal	176	100%	1,211	\$8,469,000	\$0	\$499,000	\$3,545,000	\$2,717,000	\$17,000	\$101,000	\$11,000	\$559,000	\$1,596,000	\$0	\$150,000	\$458,000	\$2,076,000	\$20,198,000
Agnews Other CPP																		
● CCF ● Residential Facilities Avg Cost/Consumer Mo	2	20%	17	\$64,000 \$3,765				\$22,000 \$1,294				\$5,000 \$294	\$11,000 \$647		\$28,000 \$1,647	\$0 \$0	\$0 \$0	\$130,000 \$7,647
● SRF 3 bed Avg Cost/Consumer Mo	1	10%	6	\$46,000 \$7,667				\$31,000 \$5,167				\$11,000 \$1,833	\$11,000 \$1,833			\$0 \$0	\$13,000 \$2,167	\$112,000 \$18,667
● SRF 4 bed Avg Cost/Consumer Mo	1	10%	6	\$54,000 \$9,000				\$29,000 \$4,833				\$9,000 \$1,500	\$15,000 \$2,500		\$3,000 \$500	\$2,000 \$333	\$8,000 \$1,333	\$120,000 \$19,999
● ICF Avg Cost/Consumer Mo	2	20%	12					\$61,000 \$5,083				\$21,000 \$1,750	\$18,000 \$1,500			\$7,000 \$583	\$18,000 \$1,500	\$125,000 \$10,416
● Supported Living Avg Cost/Consumer Mo	4	40%	16				\$192,000 \$12,000	\$90,000 \$5,625				\$31,000 \$1,938	\$77,000 \$4,813			\$5,000 \$313	\$56,000 \$3,500	\$451,000 \$28,189
Subtotal	10	100%	57	\$164,000	\$0	\$0	\$192,000	\$233,000	\$0	\$0	\$0	\$77,000	\$132,000	\$0	\$31,000	\$14,000	\$95,000	\$938,000

Continued on next page.

Community Placement Plan
Purchase of Services
Cost and Service Utilization Assumptions for Placements
Budget Year 2007-08 (continued)

Living Arrangement	# of Consumers	% of Total	Consumer Months	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total
				CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual							
Agnews Unified CPP																		
● CCF																		
● Residential Facilities	1	1%	11	\$38,000				\$19,000				\$5,000						\$62,000
Avg Cost/Consumer Mo				\$3,455				\$1,727				\$455						\$5,637
● SRF 3-Bed - Hallmark GGRC	29	16%	212	\$4,327,000				\$583,000				\$127,000						\$5,037,000
Avg Cost/Consumer Mo				\$20,410				\$2,750				\$599						\$23,759
Transition Costs a/				\$123,000														\$123,000
● SRF 3-Bed - Hallmark RCEB	13	7%	98	\$2,010,000				\$287,000				\$54,000						\$2,351,000
Avg Cost/Consumer Mo				\$20,510				\$2,929				\$551						\$23,990
Transition Costs a/				\$192,000														\$192,000
● SRF 3-Bed - Hallmark SARC	17	10%	109	\$2,146,000				\$191,000				\$55,000						\$2,392,000
Avg Cost/Consumer Mo				\$19,688				\$1,752				\$505						\$21,945
Transition Costs a/				\$232,000														\$232,000
● SRF 4-Bed - Hallmark RCEB	6	3%	68	\$1,322,000				\$199,000				\$38,000						\$1,559,000
Avg Cost/Consumer Mo				\$19,441				\$2,926				\$559						\$22,926
Transition Costs a/				\$8,000														\$8,000
● SRF 4-Bed - Hallmark SARC	8	4%	40	\$822,000				\$69,000				\$26,000						\$917,000
Avg Cost/Consumer Mo				\$20,550				\$1,725				\$650						\$22,925
Transition Costs a/				\$18,000														\$18,000
● SB 962 4-Bed Hallmark GGRC	8	4%	64	\$1,399,000				\$192,000				\$39,000						\$1,630,000
Avg Cost/Consumer Mo				\$21,859				\$3,000				\$609						\$25,468
Transition Costs a/				\$20,000														\$20,000
● SB 962 5-Bed Hallmark RCEB	26	15%	182	\$3,500,000				\$533,000				\$100,000						\$4,133,000
Avg Cost/Consumer Mo				\$19,231				\$2,929				\$549						\$22,709
Transition Costs a/				\$894,000														\$894,000
● SB 962 5-Bed Hallmark SARC	55	31%	279	\$5,366,000				\$665,000				\$179,000						\$6,210,000
Avg Cost/Consumer Mo				\$19,233				\$2,384				\$642						\$22,259
Transition Costs a/				\$508,000														\$508,000
● Adult Family Home Agencies																		
● Adult Family Home	2	1%	24		\$142,000			\$42,000				\$16,000						\$200,000
Avg Cost/Consumer Mo					\$5,917			\$1,750				\$667						\$8,334
● Family Teaching Home (FTH)																		
Hallmark SARC	12	7%	133		\$1,842,000			\$231,000				\$86,000						\$2,159,000
Avg Cost/Consumer Mo					\$13,850			\$1,737				\$647						\$16,234
Transition Costs a/					\$208,000													\$208,000
● Supported Living	1	1%	10				\$175,000	\$28,000				\$6,000					\$3,000	\$212,000
Avg Cost/Consumer Mo							\$17,500	\$2,800				\$600					\$300	\$21,200
● Additional Services & Supports b/													\$168,000	\$0	\$0	\$1,303,000	\$1,838,000	\$3,309,000
Subtotal	178	100%	1,230	\$22,925,000	\$2,192,000	\$0	\$175,000	\$3,039,000	\$0	\$0	\$0	\$731,000	\$168,000	\$0	\$0	\$1,303,000	\$1,841,000	\$32,374,000
TOTAL	364	100%	2,498	\$31,558,000	\$2,192,000	\$499,000	\$3,912,000	\$5,989,000	\$17,000	\$101,000	\$11,000	\$1,367,000	\$1,896,000	\$0	\$181,000	\$1,775,000	\$4,012,000	\$53,510,000

a/ Represents temporary lease payments needed until the home is fully occupied. Total cost for specific residence type = facility line item cost + transition cost

b/ Supplemental services needed to support an individual for pre-placement and for the initial period of placement

General Fund

DESCRIPTION:

The General Fund is the main operating fund of the State. It accounts for transactions related to resources obtained and used for those services that do not need to be accounted for in another fund.

CY 2006-07

BY 2007-08

ASSUMPTIONS/METHODOLOGY:

General Fund:

The Department's appropriation for General Fund consists of two components: (1) General Fund Match and (2) General Fund Other. The detail of these two components follows:

- General Fund Match: \$914,613,000 \$925,744,000

This portion of General Fund is required to use as a match to reimbursements received from the Department of Health Services (DHS). These reimbursements are originally funded by the federal government and passed through DHS (the federally-recognized single state agency for Medicaid). The federal financial participation (FFP) costs are established by utilizing the Federal Medical Assistance Program (FMAP) percentages. They are as follows:

FMAP % of General Fund Match	CY	BY		
<i>Home and Community-Based Services (HCBS) Waiver</i>	50.00%	50.00%	757,617,000	767,603,000
<i>HCBS Waiver Administration</i>	50.00%	50.00%	2,149,000	2,153,000
<i>Medicaid Administration</i>	25.00%	25.00%	4,571,000	4,686,000
<i>Targeted Case Management (TCM)</i>	50.00%	50.00%	145,957,000	146,022,000
<i>TCM Administration</i>	50.00%	50.00%	4,319,000	4,319,000
<i>Self-Directed HCBS Waiver</i>	50.00%	50.00%	0	387,000
<i>Self-Directed HCBS Waiver Administration</i>	50.00%	50.00%	0	574,000

- General Fund Other: \$1,202,454,000 \$1,298,743,000

These costs consist of the remainder of total regional center expenditures not included in the General Fund Match, Reimbursements, Program Development Fund, Developmental Disabilities Services Account, or Federal Funds.

- Self-Directed Services (SDS) Risk Pool \$0 \$63,000

Funding for this item will be initially appropriated in the General Fund. Upon passage of the Budget Act of 2007, these funds will be transferred from the General Fund to the SDS Risk Pool Fund.

- TOTAL EXPENDITURES** \$2,117,067,000 \$2,224,550,000

General Fund

FUNDING:

These General Funds are reflected in the Operations and Purchase of Services methodologies on the preceding pages.

CHANGE FROM PRIOR ESTIMATE:

The expenditures have been updated using the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

The change in expenditures from the current year to the budget year is based on the most current available data.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$2,117,067,000	\$2,224,550,000
General Fund	\$2,117,067,000	\$2,224,487,000
<i>General Fund Match</i>	914,613,000	925,744,000
<i>General Fund Other</i>	1,202,454,000	1,298,743,000
<i>SDS Risk Pool Fund</i>	0	63,000

Home and Community-Based Services Waiver

DESCRIPTION:

The Home and Community-Based Services (HCBS) Waiver program enables the Department of Developmental Services (DDS) to provide a broad array of home and community-based services to eligible individuals who, without these services, would require the level of care provided in an intermediate care facility for the mentally retarded.

KEY DATA/ASSUMPTIONS:

Data Source: Medicaid Waiver Total Billed Dollar Amounts and Client Counts report, dated 3/8/07
(July 2006 - December 2006 data used).

The HCBS Waiver enrollment cap is 75,000 as of 10/1/06 and will be 80,000 as of 10/1/07.

METHODOLOGY:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
• Base:	\$1,436,804,000	\$1,503,493,000
• CY 2006-07		
Total estimated expenditures based on CY billing data (July 2006 - Dec 2006 times 2)	1,446,964,000	
Less Community Placement Plan One-Time Costs	-10,070,000	
Less Enhancing FFP for Additional Services One-Time Costs	-90,000	
• BY 2007-08		
Total Estimated prior year HCBS Waiver Expenditures		1,515,235,000
Less Community Placement Plan One-Time Costs		-11,622,000
Less 2006-07 Enhancing FFP for Additional Services One-Time Costs		-120,000
• Annual Growth (New RC Consumers)	\$0	\$30,780,000
• CY Annual Growth		
• 2006-07 Annual Growth	In Base	
• 2005-06 Annual Growth Continuation	In Base	
• BY Annual Growth		
• 2007-08 Annual Growth		16,080,000
Add 6 months of annual growth costs in BY for 2,680 consumers who will be new to the RC system and added to the HCBS Waiver in BY 2007-08 (2,680 x \$12,000 (annual cost/consumer) x .5 (6 months) = \$16,080,000).		
• 2006-07 Annual Growth Continuation		14,700,000
Add 6 months of costs to annualize growth costs in BY for 2,450 consumers who were added to the HCBS Waiver and phased-in during CY 2006-07 (2,450 x \$12,000 (annual cost/consumer) x .5 (6 months) = \$14,700,000).		
• Increase of Waiver Cap - Growth	\$0	\$13,442,000
• CY 2006-07		
• 2006-07 Increase of Waiver Cap Growth	In Base	
• 2005-06 Increase of Waiver Cap Growth Continuation	In Base	

Home and Community-Based Services Waiver

METHODOLOGY (continued):	CY 2006-07	BY 2007-08
<ul style="list-style-type: none">BY 2007-08<ul style="list-style-type: none">2006-07 Increase of Waiver Cap Growth Continuation13,442,000Annualize growth for 2,269 consumers added in CY 2006-072,269Beginning 10/1/06, new consumers will be phased in each monthx x \$10,000Cost per consumer per year\$22,690,000Estimated HCBS Waiver-eligible annual costs59.24%Phase-in factor to annualize CY costs\$13,442,000Subtotal BY 2007-08 Waiver-eligible costs		
<ul style="list-style-type: none">Community Placement Plan (CPP)\$11,622,000\$36,299,000The annual cost for the total number of HCBS Waiver-eligible CPP placements in each living arrangement was multiplied by the respective percent of costs eligible for HCBS Waiver for each POS budget category.<u>CY 2006-07</u><ul style="list-style-type: none">Total HCBS Waiver costs for 200 consumers:11,622,000<u>BY 2006-07</u><ul style="list-style-type: none">Total HCBS Waiver costs for 341 consumers:36,299,000Placement/Deflection Continuation:\$14,705,000\$25,121,000The annual estimated Placement/Deflection Continuation costs for the total number of HCBS Waiver-eligible placements in each living arrangement was multiplied by the respective percent of costs eligible for HCBS Waiver for each POS budget category.<u>CY 2006-07</u><ul style="list-style-type: none">Total HCBS Waiver costs for 173 consumers:14,705,000<u>BY 2007-08</u><ul style="list-style-type: none">Total HCBS Waiver costs for 200 consumers:25,121,000SSI/SSP Increase/RC Savings-\$4,151,000-\$2,586,000Increasing FFP for Services Added to the HCBS Waiver\$120,000\$120,000New residences may require modifications, such as ramps, grab bars and wider doors to make the residences safe and accessible. FFP is claimed for costs up to 180 days prior to a consumer transitioning from an institution to the community when he/she may become eligible for the HCBS Waiver.		

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> 3% Rate Increase for Providers A 3 percent cost-of-living increase was provided to service providers for specific programs for which the Department sets rates (community care facilities, community-based day programs, habilitation services programs, respite agencies, and vouchers respite) and for specified contracted-services programs (supported living, transportation, and look-alike day programs). Effective 7/1/06, these rate increases were intended to help prevent further program closures and maintain continuity of services to consumers and families as well as promote provider stability while temporary provider rate freezes are continued for cost containment. This was a new major assumption in the 2006-07 November Estimate and a revised major assumption in the 2006-07 May Revision, reflecting added adult family home agencies and specified out-of-home respite services. For the 2007-08 May Revision Estimate, cost for all programs total \$70,146,000. Program costs reflected in CY 2006-07 remain in the base for BY 2007-08. 	In Base	\$2,098,000
<ul style="list-style-type: none"> Provider Resources for Collection of FFP for Contracted Services This was a new major assumption in the 2006-07 May Revision. \$1.3 million in costs for all programs was set aside in CY 2006-07 to cover contracted services vendors' increased costs for the new administrative activity associated with record keeping for contracted expenditures. Increased costs will be reflected in the re-negotiated contracts with these vendors. These costs will be more than offset by the additional Home and Community-Based Services (HCBS) Waiver reimbursement. 	\$634,000	\$822,000
<ul style="list-style-type: none"> Collection of FFP for Contracted Services The State receives fifty percent federal reimbursement for regional center expenditures which are HCBS Waiver-eligible services and are provided to qualifying consumers. Currently, however, the State is not collecting approximately \$16.3 million annually in federal funds Home and Community Based Services Waiver-eligible expenditures that could replace State General Funds. The otherwise HCBS Waiver-billable services for which the State cannot now bill the federal government are those purchased through bulk contract mechanisms. Although contract billing is more administratively efficient for vendors and the regional centers, it does not include the detailed information for each individual consumer necessary to support the HCBS Waiver billing requirements. 	\$24,460,000	\$8,152,000
<ul style="list-style-type: none"> Legislative Augmentation: Increase Rates for Supported Employment Programs The Legislature provided a total of \$15.9 million in CY 2006-07 for a rate increase to enhance wages for Supported Employment Programs that meet specified criteria. Current year costs remain in the base for BY 2007-08. 	\$4,407,000	\$308,000

Home and Community-Based Services Waiver

METHODOLOGY (continued):	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> Legislative Augmentation: Increase Wage Rates for Day and Work Activity Programs <p>The Legislature provided a total of \$19.1 million in CY 2006-07 for a rate increase to enhance wages for direct care staff in Day Programs, Work Activity Programs, and Look-Alike Day Programs that meet specified criteria. Current year costs remain in the base for BY 2007-08.</p> 	\$9,668,000	\$723,000
<ul style="list-style-type: none"> HCBS Waiver Decrease due to Self-Directed HCBS Waiver <p>It is assumed that 400 consumers will be phased into Self-Directed Services beginning 3/1/08. It is assumed that 24% or 96 of the 400 consumers will transfer from the HCBS Waiver to the new SDHCBS Waiver at a rate of 24 consumers per month. It is assumed that the average monthly HCBS waiver-billable costs for these consumers who will no longer be on the HCBS Waiver is \$1,043. The total BY 2007-08 costs for these consumers is \$250,000. Therefore, it is assumed that when these HCBS Waiver-eligible consumers transfer to the SDHCBS Waiver, there will be a reduction to the HCBS Waiver of \$250,000.</p> 	N/A	-\$250,000
<ul style="list-style-type: none"> Minimum Wage Increases <p>Recently enacted AB 1835 (Chapter 230, Statutes of 2006) increased the California minimum wage rate from \$6.75 to \$7.50 on January 1, 2007, and from \$7.50 to \$8.00 on January 1, 2008. These wage rate increases are estimated to increase regional center costs by \$26,350,000 and \$71,394,000 in CY 2006-07 and BY 2007-08, respectively, for all the following programs: Community Care Facilities, Day Programs, Work Activity Programs, Supported Living, and Respite Programs. Estimated costs reflected in CY 2006-07 remain in the base for BY 2007-08.</p> 	\$16,966,000	\$26,427,000
<ul style="list-style-type: none"> New Major Assumption: DSS' Dual Agency Proposal 	N/A	65,000
<ul style="list-style-type: none"> TOTAL EXPENDITURES 	\$1,515,235,000	\$1,645,014,000
<ul style="list-style-type: none"> Federal Medical Assistance Percentage 	50.00%	50.00%
<ul style="list-style-type: none"> Total FFP 	\$757,618,000	\$822,507,000
<ul style="list-style-type: none"> General Fund Match 	\$757,617,000	\$767,603,000
<ul style="list-style-type: none"> Public Transportation Account (PTA) Match 	N/A	\$54,904,000

FUNDING:

Home and Community-Based Services Waiver reimbursements fund a broad array of purchase of service costs for eligible individuals, as reflected in the POS methodologies, Pages E-4.1 through E-15.8, and as displayed on Pages E-18.5 and E-18.6. These home and community-based services are in all of the POS budget categories, except Medical Facilities.

CHANGE FROM PRIOR ESTIMATE:

This estimate reflects the most current data available. Any updates to the HCBS Waiver cap, new enrollments, per capita costs, phase-in assumptions, and rate increases are reflected in this estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects higher expenditures in the budget year due to estimated increases in HCBS Waiver-eligible consumers and services.

Home and Community-Based Services Waiver**Estimated Distribution in Purchase of Services****EXPENDITURES:**

	Estimated % of Costs Billable to HCBS Waiver	% of Actual 2005-06 Waiver Expenditures by Budget Category	CY 2006-07	BY 2007-08
TOTAL ESTIMATED HCBS WAIVER-BILLABLE EXPENDITURES			\$1,515,235,000	\$1,645,014,000
GF Match			757,617,000	767,603,000
PTA Match			N/A	54,904,000
FFP (from DHS)			757,618,000	822,507,000
FMAP			50.00%	50.00%
SUBTOTAL: PURCHASE OF SERVICES			\$1,515,235,000	\$1,644,949,000
GF Match			757,617,000	767,571,000
PTA Match			N/A	54,904,000
FFP (from DHS)			757,618,000	822,474,000
Community Care Facilities	80%	35.50%	537,908,000	586,263,000
GF Match			268,954,000	293,132,000
FFP			268,954,000	293,131,000
Day Programs	53%	24.25%	367,445,000	398,033,000
GF Match			183,722,000	199,016,000
FFP			183,723,000	199,017,000
Work Activity Program	64%	3.00%	45,457,000	49,241,000
GF Match			22,728,000	24,621,000
FFP			22,729,000	24,620,000
Supported Employment Placement/Group	34%	1.21%	18,334,000	19,860,000
GF Match			9,167,000	9,930,000
FFP			9,167,000	9,930,000
Supported Employment Placement/Individual	27%	0.30%	4,546,000	4,924,000
GF Match			2,273,000	2,462,000
FFP			2,273,000	2,462,000
Transportation	49%	6.69%	101,369,000	109,808,000
GF Match			50,685,000	0
PTA Match			N/A	54,904,000
FFP			50,684,000	54,904,000
Support Services	68%	19.78%	299,714,000	324,664,000
GF Match			149,857,000	162,332,000
FFP			149,857,000	162,332,000
In-Home Respite	52%	5.58%	84,550,000	91,589,000
GF Match			42,275,000	45,794,000
FFP			42,275,000	45,795,000
Out-of-Home Respite	12%	0.38%	5,758,000	6,237,000
GF Match			2,879,000	3,119,000
FFP			2,879,000	3,118,000
Health Care	7%	0.34%	5,152,000	5,581,000
GF Match			2,576,000	2,790,000
FFP			2,576,000	2,791,000
Miscellaneous	20%	2.97%	45,002,000	48,749,000
GF Match			22,501,000	24,375,000
FFP			22,501,000	24,374,000

Home and Community-Based Services Waiver**Estimated Distribution in Purchase of Services****EXPENDITURES (continued):**

	Estimated % of Costs Billable to HCBS Waiver	% of Actual 2005-06 Waiver Expenditures by Budget Category	<u>CY 2006-07</u>	<u>BY 2007-08</u>
NEW MAJOR ASSUMPTION: DSS' Dual Agency Proposal			N/A	\$65,000
<i>GF Match</i>			<i>N/A</i>	<i>32,000</i>
<i>FFP (from DHS)</i>			<i>N/A</i>	<i>33,000</i>
Day Programs	53%	24.25%	0	9,000
<i>GF Match</i>			0	4,000
<i>FFP</i>			0	5,000
In-Home Respite	52%	5.58%	0	56,000
<i>GF Match</i>			0	28,000
<i>FFP</i>			0	28,000

Home and Community-Based Services Waiver Administration

DESCRIPTION:

The Home and Community-Based Services (HCBS) Waiver program enables the Department of Developmental Services to provide a broad array of home and community-based services to eligible individuals who, without these services, would require the level of care provided in an intermediate care facility for the mentally retarded. These HCBS Waiver Administration funds are for the proper and efficient administration of the HCBS Waiver.

Training for Direct Support Professional (DSP) Staff:

Welfare and Institutions Code Section 4695.2, Statutes of 1998, mandates all direct support professionals (DSPs) working in licensed community care facilities (CCFs) to either pass competency tests or satisfactorily complete each of 2 consecutive 35-hour training segments within 2 years of the date of hire. The testing and training program is being conducted through an interagency agreement with the Department of Education (DOE). This estimate of Operations costs covers the costs of challenge tests, training and the interagency agreement with DOE.

Collection of FFP for Contracted Services

Regional center staff will renegotiate contracts with vendors, liaison with DDS experts on changes required to expand and enhance existing billing options, train vendors and regional center personnel involved in the billing process, key enter necessary attendance and other required billing data from paper invoices submitted by vendors, and review, adjust and/or correct attendance data after data is uploaded to the Uniform Fiscal System to assure proper payment to vendors. These resources will allow the State to collect HCBS Waiver Administration reimbursements.

CY 2006-07 BY 2007-08

ASSUMPTIONS/METHODOLOGY:

● Training for DSP Staff	\$2,866,000	\$2,866,000
<ul style="list-style-type: none"> ● CY: Total cost of DSP Training is \$3,582,000 ● BY: Total cost of DSP Training is \$3,582,000 ● 80% of the consumers residing in CCFs are HCBS Waiver eligible; therefore, it is assumed that 80% of the DSP Training costs are eligible for HCBS Waiver Administration reimbursement. ● CY cost: $\\$3,582,000 \times 80\% = \\$2,866,000$ ● BY cost: $\\$3,582,000 \times 80\% = \\$2,866,000$ ● The federal financial participation (FFP) portion of the total HCBS Waiver Administration-eligible costs is 50%. ● These costs are reflected in the DSP Training estimate, under Operations, Projects, page E-3.2. 		
● Staffing for Collection of FFP for Contracted Services	\$1,432,000	\$1,440,000
<ul style="list-style-type: none"> ● CY 2006-07 <ul style="list-style-type: none"> ● Total cost of Staffing for Collection of FFP for Contracted Services is \$2,148,000. ● Assume 1/3 or 33% of the total community population is HCBS Waiver eligible. ● Assume 1/3 or 33% of the total costs would be FFP. ($\\$2,148,000 \times 33\% = \\$716,000$) ● Assume GF Match = FFP (\$716,000) ● Total HCBS Waiver Administration ($\\$716,000 + 716,000 = \\$1,432,000$) 		

Home and Community-Based Services Waiver Administration

ASSUMPTIONS/METHODOLOGY continued

- **Staffing for Collection of FFP for Contracted Services (continued)**
 - **BY 2007-08**
 - Total cost of Staffing for Collection of FFP for Contracted Services is \$2,159,000.
 - Assume 1/3 or 33% of the total community population is HCBS Waiver eligible.
 - Assume 1/3 or 33% of the total costs would be FFP.
($\$2,159,000 \times 33\% = \$720,000$)
 - Assume GF Match = FFP (\$720,000)
 - Total HCBS Waiver Administration ($\$720,000 + 720,000 = \$1,440,000$)
 - These costs are reflected under Operations, Staffing, page E-1.14.

FUNDING:

Funding for HCBS Waiver Administration is 50% FFP and 50% General Fund.

CHANGE FROM PRIOR ESTIMATE:

No change

REASON FOR YEAR-TO-YEAR CHANGE:

The rent factor in the Staffing for Collection of FFP estimate increased from CY to BY.

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL HCBS WAIVER ADMINISTRATION	\$4,298,000	\$4,306,000
<i>Federal Financial Participation</i>	2,149,000	2,153,000
<i>General Fund Match</i>	2,149,000	2,153,000

Medicaid Administration

DESCRIPTION:

Clinical Support Teams and SB 1038 Health Reviews

Clinical support teams ensure the regional centers' ability to adequately monitor the health care of consumers with severe behavior and/or medical problems; to provide health-related consultation to these consumers, their families, providers and other community health professionals; to ensure careful and complete mortality reviews for these consumers' deaths; and to ensure health care access and advocacy for these consumers.

In addition, clinical support teams complete yearly reviews of medications, health care plans and behavioral plans for all consumers in community care facilities and supported and independent living arrangements. Clinical teams also review circumstances leading to all deaths of these consumers.

Pursuant to SB 1038 (Chapter 1043, Statutes of 1998), regional center physicians and nurses (with clerical support) provide medical reviews for the remainder of the community consumers who are not getting medical reviews from the clinical support teams.

Compliance with Home and Community-Based Services (HCBS) Waiver Requirements

Regional center physicians and psychiatrists perform activities, including clinical consultation, monitoring and review of consumers' medications, to ensure the regional center system maintains compliance with the HCBS Waiver.

Agnews Closure

Consistent with passage of AB 1378 (Chapter 538, Statutes of 2005) Agnews Developmental Center employees will provide clinical support services to ensure the health and well being of Agnews' residents as they transition into the community consistent with the Department's Interagency Agreement for Medicaid Administration with the Department of Health Services.

Nurse consultants will monitor consumer health care plans and health care for Agnews residents living in SB 962 homes. One dental coordinator at each of the Bay Area Regional Centers (Regional Center of the East Bay, San Andreas Regional Center and Golden Gate Regional Center) will promote and coordinate dental resources for Agnews residents that have moved into the community.

State employees in the community may participate in all Medicaid Administration activities, including clinical support teams, SB 1038 health reviews, and compliance with HCBS waiver requirements.

ASSUMPTIONS/METHODOLOGY:

- The cost of providing health reviews is provided to DDS by the regional centers each year.
- CY and BY total costs for Clinical Support Teams and SB 1038 Health Reviews are based on FY 2005-06 data collected from the regional centers (\$19,444,000).
 - 73% of consumers receiving health reviews are Medicaid eligible; therefore, it is assumed that 73% of costs are eligible for Medicaid Administration (MA) reimbursement ($\$19,444,000 \times .73 = \$14,194,000$).
 - The FFP portion of total MA-eligible costs is 75% ($\$14,194,000 \times .75 = \$10,646,000$).

Medicaid Administration

METHODOLOGY (continued)

- Staffing for Compliance with HCBS Waiver Requirements
 - CY 2006-07 and BY 2007-08
 - Total personal services and operating costs related to MA are estimated to be \$2,600,000.
 - 100% of these costs are eligible for MA because related staff will be working only with HCBS Waiver consumers.
 - The FFP portion of total MA-eligible costs is 75% ($\$2,600,000 \times .75 = \$1,950,000$).
- Closure of Agnews Developmental Center, State Employees in the Community
 - CY 2006-07
 - Total personal services and operating costs related to MA are estimated to be \$1,251,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA.
($\$1,251,000 \times .95 = \$1,188,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$1,188,000 \times .75 = \$891,000$).
 - BY 2007-08
 - Total personal services and operating costs related to MA are estimated to be \$1,554,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA.
($\$1,554,000 \times .95 = \$1,476,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$1,476,000 \times .75 = \$1,107,000$).
- Closure of Agnews Developmental Center, Placement Continuation
 - CY 2006-07
 - Nurse Consultants
 - Total personal services and operating costs related to MA are estimated to be \$120,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA.
($\$120,000 \times .95 = \$114,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$114,000 \times .75 = \$86,000$).
 - Dental Coordinators
 - Total personal services and operating costs related to MA are estimated to be \$198,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA.
($\$198,000 \times .95 = \$188,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$188,000 \times .75 = \$141,000$).
 - BY 2007-08
 - Nurse Consultants
 - Total personal services and operating costs related to MA are estimated to be \$302,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA.
($\$302,000 \times .95 = \$287,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$287,000 \times .75 = \$215,000$).
 - Dental Coordinators
 - Total personal services and operating costs related to MA are estimated to be \$198,000.
 - Consistent with the CPP assumptions, 95% of these costs are eligible for MA.
($\$198,000 \times .95 = \$188,000$)
 - The FFP portion of total MA-eligible costs is 75% ($\$188,000 \times .75 = \$141,000$).

Medicaid Administration

FUNDING:

The Medicaid Administration (MA) reimbursement is 75% federal funds and 25% General Fund. These MA funds are reflected in the Operations Core Staffing estimate on pages E-1.1 to E-1.13 and the Compliance with HCBS Waiver Requirements estimate on pages E-2.2 and E-2.4.

CHANGE FROM PRIOR ESTIMATE:

The reimbursement amount reflects the most current available data and information.

REASON FOR YEAR TO YEAR CHANGE:

The personal services and operating expenses for State Employees in the Community were updated using the latest available data.

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL MEDICAID ADMINISTRATION	\$18,285,000	\$18,745,000
<i>Federal Financial Participation</i>	<i>13,714,000</i>	<i>14,059,000</i>
<i>General Fund Match</i>	<i>4,571,000</i>	<i>4,686,000</i>

Targeted Case Management

DESCRIPTION:

The Targeted Case Management (TCM) program provides Medicaid federal matching funds for case management services provided by regional centers (RCs) for specific client groups. There are approximately 138,000 Medi-Cal eligible persons in the RC system. Federal legislation enacted in 1986 defined these case management services as services which "...will assist individuals...in gaining access to needed medical, social, educational, and other services." This means that the cost for most of the RC case manager's time spent on Medi-Cal eligible developmentally disabled persons is eligible for federal financial participation (FFP).

KEY DATA/ASSUMPTIONS:

CY 2006-07 and BY 2007-08: Source data is from the TCM Regional Center Billed Units report dated 3/8/07: December 2005 - November 2006.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY:		
<ul style="list-style-type: none"> Base: TCM expenditures are based on actual TCM billable units for 12 months (December 2005 - November 2006) multiplied by the regional center TCM rates effective July 2006. 	\$282,039,000	\$282,039,000
<ul style="list-style-type: none"> Staffing for Compliance with Home and Community-Based Services (HCBS) Waiver Requirements See Operations, Federal Compliance, pages E-2.2 to E-2.4, for more information. 	\$6,600,000	\$6,600,000
<ul style="list-style-type: none"> CY 2006-07 and BY 2007-08 <ul style="list-style-type: none"> Total personal services and operating costs related to TCM are estimated to be \$6,600,000. 100% of these costs are eligible for TCM because staff will be working only with HCBS Waiver consumers. The FFP portion of total TCM-eligible costs is 50% (\$6,600,000 x .50 = \$3,300,000). 		
<ul style="list-style-type: none"> Closure of Agnews Developmental Center See pages E-1.3 and E-16.1 to E-16.15 for more information. 	\$75,000	\$86,000
<ul style="list-style-type: none"> CY 2006-07 <ul style="list-style-type: none"> Placement Continuation: Client Program Coordinators (CPCs) <ul style="list-style-type: none"> The total personal services and operating expenses for CPCs is \$79,000. Assume 95% of the total cost is eligible for TCM reimbursement (\$79,000 x .95 = \$75,000). The FFP portion of the total TCM eligible costs is 50% (\$75,000 x .50 = \$38,000). 	75,000	
<ul style="list-style-type: none"> BY 2007-08 <ul style="list-style-type: none"> Placement Continuation: Client Program Coordinators <ul style="list-style-type: none"> The total personal services and operating expenses for CPCs is \$91,000. Assume 95% of the total cost is eligible for TCM reimbursement (\$91,000 x .95 = \$86,000). The FFP portion of the total TCM eligible costs is 50% (\$86,000 x .50 = \$43,000). 		86,000

Targeted Case Management

METHODOLOGY (continued)

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> Legislative Augmentation for Increase in Case Managers to meet Federal Audit Requirements See pages E-2.2 and E-2.5 for more information. <ul style="list-style-type: none"> CY 2006-07 <ul style="list-style-type: none"> Total personal services and operating expenses related to TCM are estimated to be \$3,200,000. 100% of these costs are eligible for TCM because staff will be working only with HCBS Waiver consumers. The FFP portion of total TCM-eligible costs is 50% (\$3,200,000 x .50 = \$1,600,000). BY 2007-08 <ul style="list-style-type: none"> Total personal services and operating expenses related to TCM are estimated to be \$3,320,000. 100% of these costs are eligible for TCM because staff will be working only with HCBS Waiver consumers. The FFP portion of total TCM-eligible costs is 50% (\$3,320,000 x .50 = \$1,660,000). TOTAL TCM-ELIGIBLE COSTS: 	\$3,200,000	\$3,320,000
	\$291,914,000	\$292,045,000

FUNDING:

Targeted Case Management reimbursements fund regional center Operations costs for: (1) the case management services provided by Client Program Coordinators (CPCs), Secretaries for CPCs, Supervising Counselors for CPCs, (2) HIPAA Privacy Officers (reflected under Operations, Staffing, Pages E-1.1 to E-1.13, (3) the Compliance with HCBS Waiver Requirements estimate on pages E-2.2 and E-2.4, and (4) the Increase in Case Managers to meet Federal Audit Requirements estimate on pages E-2.2 and E-2.5.

CY 2006-07 FFP = 50.00% of Total TCM Expenditures

BY 2007-08 FFP = 50.00% of Total TCM Expenditures

CHANGE FROM PRIOR ESTIMATE:

The reimbursement amounts reflect the most current available data, rates and information.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the budget year reflects the projected caseload increase for the Closure of Agnews Developmental Center and Increase in Case Managers to Meet Federal Audit Requirements estimates.

EXPENDITURES:

TOTAL TARGETED CASE MANAGEMENT	\$291,914,000	\$292,045,000
<i>Federal Financial Participation</i>	<i>145,957,000</i>	<i>146,023,000</i>
<i>General Fund Match</i>	<i>145,957,000</i>	<i>146,022,000</i>

Targeted Case Management Administration

DESCRIPTION:

The Targeted Case Management (TCM) program provides Medicaid federal matching funds for case management services for specific client groups. There are approximately 138,000 Medi-Cal eligible persons in the regional center (RC) system. Federal legislation enacted in 1986 defined case management services as services which "...will assist individuals...in gaining access to needed medical, social, educational, and other services." This means that the cost for most of the RC case manager's time spent on Medi-Cal eligible developmentally disabled persons and the cost of providing administrative support to the case management program are both eligible for federal financial participation (FFP). These TCM Administration funds are for the proper and efficient administration of the TCM.

KEY DATA/ASSUMPTIONS:

- TCM Administration reimbursements in the current and budget years will be \$4,319,000.
- Source of Data: DDS Fiscal Systems - CALSTARS reports

METHODOLOGY:

Utilizing a time survey, DDS gathers records of time spent by DDS headquarters personnel providing administrative case management assistance to the regional centers. These surveys are used to allocate headquarters salaries, wages and benefits and a portion of the Department's statewide cost allocation related to administrative case management support.

CY 2006-07

BY 2007-08

\$8,638,000

\$8,638,000

FUNDING:

Funding for Targeted Case Management Administration is 50% FFP and 50% General Fund. TCM Administration funds are reflected in the Core Staffing estimate, under Operations, Pages E-1.1 to E-1.13.

CHANGE FROM PRIOR ESTIMATE:

This estimate reflects the most current available data.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

TOTAL TCM ADMINISTRATION	\$8,638,000	\$8,638,000
<i>Federal Financial Participation</i>	<i>4,319,000</i>	<i>4,319,000</i>
<i>General Fund Match</i>	<i>4,319,000</i>	<i>4,319,000</i>

Title XX Block Grant

DESCRIPTION:

Social Services: The State has received federal Title XX Block Grant funds for social services since 1981. Each state has wide discretion in determining the range of services to be provided and how the funds are to be distributed. There is no state match requirement for these funds. In California, the program is administered by the California Department of Social Services. Federal statute establishes five service goals:

1. Achieving or maintaining economic self-support to prevent, reduce or eliminate dependency;
2. Achieving or maintaining self-sufficiency, including the reduction or prevention of dependency;
3. Preventing or remedying neglect, abuse or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families;
4. Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and,
5. Securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

Temporary Assistance for Needy Families (TANF): These Title XX Block Grant funds are available for regional center expenditures for children under age 18 whose family income is less than 200 percent of the income official poverty line (as defined by the federal Office of Management and Budget) applicable to a family of the size involved.

KEY DATA/ASSUMPTIONS:

The DDS portion of the Title XX Block Grant is determined by the Department of Social Services.

FUNDING:

The Title XX Block Grant is determined by the Department of Social Services.

CHANGE FROM PRIOR ESTIMATE:

No change

REASON FOR YEAR-TO-YEAR CHANGE:

No change

Title XX Block Grant

EXPENDITURES:	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL TITLE XX BLOCK GRANT	\$203,903,000	\$203,903,000
SOCIAL SERVICES	\$147,903,000	\$147,903,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Day Programs</i>	55,907,000	55,907,000
<i>Habilitation Services</i>	13,163,000	13,163,000
<i>Transportation</i>	18,651,000	18,651,000
<i>Support Services</i>	24,966,000	24,966,000
<i>In-Home Respite</i>	13,829,000	13,829,000
<i>Out-of-Home Respite</i>	7,869,000	7,869,000
<i>Miscellaneous Services</i>	13,518,000	13,518,000
TANF	\$56,000,000	\$56,000,000
ESTIMATED DISTRIBUTION IN RC PURCHASE OF SERVICES		
<i>Community Care Facilities</i>	4,720,000	4,720,000
<i>Day Programs</i>	2,316,000	2,316,000
<i>Transportation</i>	785,000	785,000
<i>Support Services</i>	5,657,000	5,657,000
<i>In-Home Respite</i>	13,409,000	13,409,000
<i>Out-of-Home Respite</i>	13,295,000	13,295,000
<i>Health Care</i>	2,478,000	2,478,000
<i>Miscellaneous Services</i>	13,340,000	13,340,000

Self-Directed Home and Community Based Services Waiver

DESCRIPTION:

Welfare and Institutions Code Section 4685.5 (c), as amended by AB 1762 (Chapter 230, Statutes of 2003) authorized the continuation and expansion of the Self-Determination Pilot Projects (self-directed services) contingent on the State of California applying for a Centers for Medicare and Medicaid Services (CMS) Independence Plus Waiver. The Budget Act of 2005 Trailer Bill language implements the Self-Directed Services (SDS) program. Since enactment, the Administration has continued to refine its proposal based on input from legislative staff and stakeholders.

The proposed waiver for the expansion of SDS, known as the Self-Directed Home and Community Based Services (SDHCBS) Waiver, will allow participants to receive an individual budget allocation that will result, in the aggregate, in a cost savings to the General Fund.

SDS enables consumers to be in control of their services and to manage a finite amount of funds allocated to an individual budget in order to pay for services specified in the consumer's Individual Program Plan (IPP). Intensive person-centered planning is required to develop an IPP and individual budget reflective of a consumer's need. Program and fiscal monitoring will be uniquely different in order to assure consumers receive necessary services and supports, consumer safeguards are established, cost neutrality required by CMS occurs, and state and federal funding is used for its intended purpose.

IMPLEMENTATION DATE:

The 2007-08 May Revision assumes implementation of the SDS program will begin March 1, 2008.

KEY DATA/ASSUMPTIONS:

The following assumptions have been used to develop the estimated fiscal impact of program implementation:

- Implementation and enrollment of up to 9,380 consumers will be phased in over five years.
- For BY 2007-08, it is assumed enrollment of participants will begin March 1, 2008, and 400 consumers will receive SDS by the end of the first fiscal year.
- The average cost per consumer per month for regional center Purchase of Services (POS) is estimated to be \$1,580. This is based on an average of the last quarter of FY 2004-05 and first quarter of FY 2005-06 expenditure data for 74,822 consumers. These consumers were all identified as meeting eligibility requirements for the SDHCBS Waiver. The cost estimate includes an adjustment for inflation to the BY 2007-08 level based on the Consumer Price Index.
- With self-directed services finite and individual budgets assumed to be 90% of historical aggregate expenditures, total costs for 400 consumers are estimated to be \$1,138,000 phased in over 4 months.
- Participants will receive an individual budget allocation that will result, in the aggregate, in a 10% cost reduction.
- 5% of the consumer's individual budget will be set aside for unanticipated needs.
- The remaining 5% will be a savings to the General Fund.

Self-Directed Home and Community Based Services Waiver

KEY DATA/ASSUMPTIONS (continued):

- 68% of the consumers participating in self-directed services will be eligible to be included in the SDHCBS Waiver; therefore, 68% of their ongoing costs will be 100% billable to the SDHCBS Waiver.
- 24% of the consumers on the Department's existing Home and Community-Based Services Waiver (HCBS) will transfer to the SDHCBS Waiver in BY 2007-08. This will result in a decrease in HCBS Waiver reimbursements (which is reflected in the HCBS Waiver estimate on page E-18.4). However, transfer from the HCBS Waiver will, generally, result in greater General Fund savings because more services under the SDHCBS Waiver are eligible for federal financial participation.

METHODOLOGY:

BY 2007-08

● Total Self-Directed Services Expenditures	\$1,138,000
● % of SDHCBS Waiver-Eligible Consumers	68%
● % of Self-Directed Services billable to the SDHCBS Waiver	100%
● Total Costs Eligible for SDHCBS Waiver	\$774,000
● FMAP %	50%
● Total SDHCBS Waiver Reimbursements	\$387,000
● Total General Fund Match	\$387,000

FUNDING:

The SDHCBS Waiver reimbursements will fund a broad array of self-directed POS costs for eligible individuals whose expenditures are in the POS category Self-Directed Services.

CHANGE FROM PRIOR ESTIMATE:

Implementation of 600 SDS enrollments beginning January 1, 2006 (assumed in the 2007-08 November Estimate) has been revised to 400 enrollments and delayed until March 1, 2008.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation is estimated to begin in BY 2007-08.

EXPENDITURES:

TOTAL	\$774,000
General Fund	\$387,000
General Fund Match	387,000
General Fund Other	0
Reimbursements	\$387,000
Self-Directed Home and Community Based Services Waiver	387,000

Self-Directed Home and Community Based Services Waiver Administration

DESCRIPTION:

Welfare and Institutions Code Section 4685.5 (c), as amended by AB 1762 (Chapter 230, Statutes of 2003) authorized the continuation and expansion of the Self-Determination Pilot Projects (self-directed services) contingent on the State of California applying for a Centers for Medicare and Medicaid Services (CMS) Independence Plus Waiver. The Budget Act of 2005 trailer bill language implements the Self-Directed Services (SDS) program.

The proposed waiver for SDS, known as the Self-Directed Home and Community Based Services (SDHCBS) Waiver, will allow participants to receive an individual budget allocation that will result, in the aggregate, in a cost savings to the General Fund.

SDHCBS Waiver Administration funds are for the proper and efficient administration of the SDHCBS Waiver. The SDHCBS Waiver will significantly impact the regional centers' administrative workload through increased efforts in the following areas:

- Providing comprehensive pre-service and ongoing training to regional center consumers and service providers.
- Ensuring determinations are made appropriately regarding SDS participant eligibility.
- Fairly and equitably determining participant individual budget allocations and re-assessing when needed.
- Ensuring financial management service entities are vendorized.
- Obtaining background checks of prospective service providers, at the consumer's request, as required by CMS.
- Ensuring quality services and supports are provided in a manner that is consistent with the Individual Program Plan and individual budget allocation.
- Ensuring the consumer's health and safety is protected and specifying emergency back-up plans for each consumer.
- Ensuring service providers meet the requisite qualifications as specified in the Waiver.

Ultimately, increased staff time, increased fiscal services monitoring and increased program monitoring will be required of the regional centers. Therefore, the cost containment opportunity will require staff to ensure that regional centers appropriately administer this unique service delivery, obtaining maximum revenue through appropriate service claiming and administrative effort.

IMPLEMENTATION DATE:

The 2007-08 May Revision assumes a March 1, 2008 implementation of the SDS program.

Self-Directed Home and Community Based Services Waiver Administration

ASSUMPTIONS/METHODOLOGY:

CY 2006-07BY 2007-08

- **Regional Center Operations Costs for SDHCBS Waiver Administration**
 - Staffing for SDHCBS Waiver Administration will be phased in over two years, beginning January 1, 2008.
BY 2007-08 personal services and operating costs are estimated to be \$1,149,000.
- **TOTAL SDHCBS WAIVER ADMINISTRATION-ELIGIBLE COSTS** \$0 \$1,149,000

FUNDING:

Funding for SDHCBS Waiver Administration is 50% FFP and 50% General Fund. SDHCBS Waiver Administration expenditures are reflected in the Staffing for Self-Directed Home and Community Based Services Waiver estimate. See Operations, Pages E-3.10 to E-3.12.

CHANGE FROM PRIOR ESTIMATE:

Implementation of SDS has been delayed from January 1, 2008 to March 1, 2008.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation will begin in BY 2007-08.

EXPENDITURES:

SDHCBS WAIVER ADMINISTRATION	\$0	\$1,149,000
<i>Federal Financial Participation</i>	<i>0</i>	<i>575,000</i>
<i>General Fund Match</i>	<i>0</i>	<i>574,000</i>

Vocational Rehabilitation/Work Activity Program (VR/WAP)

DESCRIPTION:

The Vocational Rehabilitation/Work Activity Program (VR/WAP) was started in FY 1989-90 for consumers enrolled in the Habilitation Services Program (HSP). HSP provides habilitation services identified in the Lanterman Act as an entitlement service for regional center consumers and is funded by the General Fund and the Home and Community-Based Services Waiver. Administration of HSP was transferred from the Department of of Rehabilitation (DOR) to DDS on July 1, 2004. HSP has two main service components: sheltered workshop services provided in a WAP and supported employment services provided in an integrated community setting. The rationale of the VR/WAP is that federally funded VR services could assist WAP clients to move out of sheltered workshop environments into community integrated supported employment. DDS provides transportation services to and from VR/WAP.

ASSUMPTIONS:

This program is only open to HSP consumers enrolled in a work activity program. The projected VR/WAP caseload for both CY 2006-07 and BY 2007-08 is 1,118. In CY 2006-07, an increase in the rate for supported employment resulted in an increase in the supported employment caseload and a respective increase in the utilization of VR/WAP services to support the transition from WAP to supported employment.

FUNDING:

VR/WAP is cost neutral to DDS.

RC transportation dollars are reimbursed from DOR which uses the General Fund to generate federal VR funds. Upon enactment of the State Budget Act, DOR authorizes an advance of VR dollars (75% of the total DDS dollars transferred) back to DDS. DDS then redirects the advance amount to increase the transportation expenditure authority to regional centers. Regional centers continue to purchase transportation throughout the year, except that for VR/WAP participants, invoices are now submitted to DOR for the amount of transportation costs incurred for each participant. These invoices serve as documentation on how VR funds are being used and for DOR to track offsets to the advance until the advance is depleted. Thereafter, DOR makes monthly reimbursements to DDS based on subsequent invoices until the remaining 25% is reimbursed.

This VR funding is reflected in the Purchase of Services Transportation estimate on Pages E-8.1 to E-8.3.

CHANGE FROM PRIOR ESTIMATE:

Increased reimbursements are based on FY 2006-07 actual reimbursements from DOR.

REASON FOR YEAR-TO-YEAR CHANGE:

No change

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$588,000	\$588,000

Program Development Fund/Parental Fees

DESCRIPTION:

Parents of children under the age of 18 years who receive 24-hour out-of-home services provided by the State or purchased with State funds through a regional center are required to pay a fee depending on their ability to pay. All parental fees collected are remitted to the State Treasury for deposit into the Program Development Fund (PDF). The purpose of the PDF is to provide resources needed to initiate new programs which are consistent with the State Plan (Welfare and Institutions Code Sections 4677, 4782, and 4785).

ASSUMPTIONS:

PDF amounts are based on the most recent information regarding available funds.

FUNDING:

The purpose of the Program Development Fund shall be to provide resources needed to initiate new programs, consistent with approved priorities for program development in the State Plan. Expenditure of PDF funds is reflected in the POS Miscellaneous Services estimate.

CHANGE FROM PRIOR ESTIMATE:

This estimate reflects the most current data available.

REASON FOR YEAR-TO-YEAR CHANGE:

No change.

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL	\$1,267,000	\$1,265,000

Self-Directed Services Risk Pool Fund

DESCRIPTION:

The Self-Directed Services (SDS) Risk Pool Fund is an aggregate and cumulative account comprised of a portion of each SDS participant's yearly individual budget that is allocated for use in addressing consumer's unanticipated needs.

IMPLEMENTATION DATE:

The 2007-08 May Revision assumes implementation of the SDS program will begin in March 2008. Regional centers will be phased-in through October 2008.

ASSUMPTIONS:

- Funds attributable to any current year risk pool may be continued over to a succeeding year risk pool.
- The account is maintained and administered by the regional center.
- Funds in the account shall be used only for services and supports associated with the risk pool, and may be accessed more than once in a lifetime by a participant.
- SDS Risk Pool Fund amounts are assumed to be 50% of the General Fund (GF) savings generated by the SDS program.

METHODOLOGY:

The following assumptions have been used to develop the estimated fiscal impact of program implementation:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
<ul style="list-style-type: none"> Estimated SDS cost of services (90% x \$1,264,000 = \$1,138,000) 	\$0	\$1,138,000
<ul style="list-style-type: none"> Estimated pre-SDS cost for 400 consumers (\$1,580 x 4 months x .5 (phase-in) x 400 consumers) 		<u>\$1,264,000</u>
<ul style="list-style-type: none"> Difference = 10% Savings <ul style="list-style-type: none"> 5% Total GF Savings 5% Available for Transfer to the SDS Risk Pool Fund 		-\$126,000 -\$63,000 -\$63,000

FUNDING:

The purpose of the Self-Directed Services Risk Pool Fund is to provide funding for unanticipated needs of those consumers enrolled in the SDS program.

CHANGE FROM PRIOR ESTIMATE:

Implementation of SDS enrollments has been delayed from January 1, 2008 to March 1, 2008.

REASON FOR YEAR-TO-YEAR CHANGE:

Implementation is estimated to begin in BY 2007-08.

EXPENDITURES:

SDS Risk Pool Fund a/	\$0	-\$63,000
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a/ \$63,000 for the SDS Risk Pool Fund is currently reflected in the GF, page E-17.1. Upon passage of the Budget Act of 2007, this amount will be transferred from the GF to the SDS Risk Pool Fund.

Developmental Disabilities Services Account

DESCRIPTION:

In 2001, the State sold surplus land at Agnews Developmental Center. Approximately \$3 million from this sale was deposited in the Developmental Disabilities Services Account (DDSA). DDS appropriates funds from the DDSA to regional centers for fiscal review and site monitoring consulting services.

ASSUMPTIONS:

The CY 2006-07 DDSA budget is for Operations costs. The total amount is \$3,000 for the Pro-Rata assessment.

FUNDING:

These costs are reflected in the Pro Rata estimate, under Operations, Page E-3.5.

CHANGE FROM PRIOR ESTIMATE:

No change

REASON FOR YEAR-TO-YEAR CHANGE:

The remaining \$3,000 in the DDSA fund will be used in CY 2006-07 for the Pro Rata assessment.

EXPENDITURES:

CY 2006-07 BY 2007-08

TOTAL	\$3,000	\$0
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Public Transportation Account

DESCRIPTION:

The Public Transportation Account (PTA) supports the State's transportation planning, mass transportation, Intercity Rail programs, and State Transportation Improvement Program transit projects. PTA resources are derived primarily from sales taxes on gasoline and diesel fuels. Government Code Section 14506 defines mass transportation as movement of groups of people within urban areas, between rural communities, and between cities. As such, the State provides transportation to persons with developmental disabilities through public transit and other providers, specialized transportation companies, and day programs and/or residential vendors.

ASSUMPTIONS:

The BY 2007-08 PTA will fund \$143,993,000 for transportation services.

FUNDING:

These costs are reflected in the Transportation estimate, under Purchase of Services, page E-8.2.

CHANGE FROM PRIOR ESTIMATE:

This is a new fund source in BY 2007-08.

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
Public Transportation Account	N/A	\$143,993,000
PTA Match for HCBS Waiver	N/A	49,476,000
PTA Other	N/A	94,517,000

Early Start Part C Grant

DESCRIPTION:

Part C of the federal Individuals with Disabilities Education Act (IDEA) provides federal grant funding for states to develop and operate early intervention programs for families and their children with developmental delays, disabilities, or conditions which place them at high risk of disabilities from birth to under age 3 years. The program, known as Early Start in California, is administered according to federal Department of Education regulations, found in Title 34 of the Code of Federal Regulations, Sections 303.1 through 303.654. The program is also administered according to State regulations found in Title 17 of the California Code of Regulations, Sections 52000 through 52175. California has designated the State Department of Developmental Services to act as its lead agency for preparing the annual grant application and for receiving and administering the federal funds. DDS allocates a significant portion of the federal funding to regional centers for local program operation. Also, DDS has an interagency agreement with the California Department of Education to provide funding for local education agency programs and services, in accordance California Early Intervention Services Act, contained in Title 14 of the Government Code, Sections 95000 through 95029.

KEY DATA/ASSUMPTIONS:

CY 2006-07: Federal Office of Special Education Programs (OSEP) Grant letter, dated July 6, 2005.

BY 2007-08: Federal OSEP Grant letter, dated July 3, 2006.

CY 2006-07

BY 2007-08

METHODOLOGY:

The Part C IDEA Grant funds are used to pay costs for the additional federal requirements imposed by the Part C program. Funds are disbursed in this order (1) other agencies, (2) RC Operations and (3) RC Purchase of Services (POS). Services and costs for this age group are already included in the forecasts for Operations and each of the POS budget categories displayed below.

● Other Agencies	\$20,095,000	\$20,095,000
Department of Education: Additional federal requirements include shorter time lines for conducting evaluation, assessment and program plan development, provision of year-round services, service coordination and administrative services, and provision of services to children with solely low incidence disabilities in regions where such services to this age group were not provided prior to Part C implementation.	14,435,000	14,435,000
System Requirements: Funding is required for public awareness and a comprehensive system of personnel development, mediation and due process hearings conducted by the State Office of Administrative Hearings, and collaboration with Department of Health Services' Children's Medical Services.	2,910,000	2,910,000

Early Start Part C Grant

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
METHODOLOGY (continued):		
Family Resource Centers: Funds pay for services that are provided by 34 contractors. Services, which are specified in Government Code 95024(d)(2), include parent-to-parent support, information dissemination, public awareness and family professional collaboration activities.	2,750,000	2,750,000
<ul style="list-style-type: none"> RC Operations <p>Early Start Part C Operations costs are estimated based on a funding methodology that provides the allocation necessary for regional centers to meet the additional federal Part C requirements. The funding methodology is the cost differential between funding case managers at a ratio of 1:62 (1 case manager for every 62 children) vs 1:45. The 1:45 ratio is a funding mechanism and NOT a caseload requirement. This cost differential includes staff in related positions (supervising counselors and secretaries). Reflected in the cost estimate is an increase in staffing ratio, effective 1/1/04, for supervising counselors from 1:8 to 1:10 and for secretaries from 1:4 to 1:6.</p>	\$11,917,000	\$12,660,000
<ul style="list-style-type: none"> RC Purchase of Services: <p>The remaining Part C Grant funds, after funding system requirements and RC Operations, are used for Purchase of Services. The following estimates are based on the proportion of total year-to-date POS expenditures in FY 2005-06 by budget category.</p>	\$20,149,000	\$19,283,000
Day Programs	10,619,000	10,162,000
Transportation	302,000	289,000
Support Services	786,000	752,000
In-Home Respite	866,000	829,000
Out-of-Home Respite	242,000	232,000
Health Care	2,579,000	2,468,000
Miscellaneous Services	4,755,000	4,551,000
<ul style="list-style-type: none"> TOTAL DISBURSEMENTS 	\$52,161,000	\$52,038,000

Early Start Part C Grant

FUNDING:

The annual Part C Grant is independently determined by OSEP. It is 100% federal funds and does not require a state General Fund match.

CHANGE FROM THE APPROPRIATION:

The grant amount and disbursements reflect the most current available data and information. CY 2006-07 and BY 2007-08 appropriations were revised.

EXPENDITURES:

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
TOTAL Federal Funds	\$52,161,000	\$52,038,000
Grant	51,571,000	51,938,000
Rollover	590,000	100,000

Foster Grandparent Program Federal Funds

DESCRIPTION:

The Foster Grandparent Program gives men and women, 60 years of age and older, the opportunity to serve their community by sharing their time and attention with children under the age of 22 years who have developmental disabilities. Foster grandparents volunteer in the community schools, developmental centers, Head Start centers, foster homes and pre-schools. (See Operations, Projects, Page E-3.2, for more detail on the total regional center costs for this program.)

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
ASSUMPTIONS/METHODOLOGY:		
<ul style="list-style-type: none"> Foster Grandparent Program Grant 	\$456,000	\$456,000
The Foster Grandparent program grant is used as a fund source for specified operations costs in four regional centers: Valley Mountain, Tri-Counties, Kern and Central Valley.		
<ul style="list-style-type: none"> TOTAL EXPENDITURES 	\$456,000	\$456,000

FUNDING:

These federal funds are reflected in the Foster Grandparent/Senior Companion Programs estimate, under Operations, Projects, Page E-3.2.

CHANGE FROM PRIOR ESTIMATE:

N/A

REASON FOR YEAR-TO-YEAR CHANGE:

N/A

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
EXPENDITURES:		
TOTAL	\$456,000	\$456,000
General Fund	\$0	\$0
Reimbursements	\$0	\$0
Federal Funds	\$456,000	\$456,000
<i>Foster Grandparent Program</i>	<i>456,000</i>	<i>456,000</i>

Real Choice Systems Change Grant

DESCRIPTION:

The Centers for Medicare and Medicaid Services (CMS) awarded the Department a three-year federal grant, beginning October 1, 2003. The purposes of the grant are: (1) to design a regional network to improve the quality of vendored services through training and direct support; and (2) to research, design and implement a consumer satisfaction survey that can be used statewide. These grant objectives address specific expectations laid out by CMS in its "Quality Services Framework" for state developmental services programs.

	<u>CY 2006-07</u>	<u>BY 2007-08</u>
ASSUMPTIONS/METHODOLOGY:		
<ul style="list-style-type: none"> Real Choice Systems Change Grant 	\$38,000	\$0
This grant award is for a 36-month period beginning October 1, 2003 and ending September 30, 2006.		
There is \$38,000 in CY 2006-07 funds for completion of the Real Choice Systems Project.		
<ul style="list-style-type: none"> TOTAL EXPENDITURES 	\$38,000	\$0

FUNDING:

These federal funds are reflected in the Real Choice Systems Change Grant estimate, under Operations, Projects, Page E-3.5.

CHANGE FROM PRIOR ESTIMATE:

The 2007-08 November Estimate included no funding for the Real Choice Systems Change Grant. The 2007-08 May Revision reflects the remaining grant amount in CY 2006-07.

REASON FOR YEAR-TO-YEAR CHANGE:

CY 2006-07 expenditures reflect the remaining amount of the grant.

EXPENDITURES:

TOTAL	\$38,000	\$0
General Fund	\$0	\$0
Reimbursements	\$0	\$0
Federal Funds	\$38,000	\$0
<i>Real Choice Systems Change Grant</i>	<i>38,000</i>	<i>0</i>

Operations
POPULATION AND OPERATIONS SUMMARY
CURRENT YEAR 2006-07

	2007-08 Governor's Budget CY 2006-07	2007-08 May Revision Estimate CY 2006-07	Difference
POPULATION			
Active (Age 3 & Older)	185,425	184,595	-830
Early Start (Birth through 2 Years)	26,730	26,585	-145
Total Community Population	212,155	211,180	-975
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$413,895,000	\$413,192,000	-\$703,000
B. Intake and Assessment	-4,465,000	-4,465,000	0
C. Community Placement Plan	19,230,000	18,767,000	-463,000
D. Placement Continuation for Agnews Closure	309,000	309,000	0
E. Unallocated Reduction	-10,559,000	-10,559,000	0
F. Cost Containment	-5,968,000	-5,968,000	0
G. Medicare Part D Prescription Drug Benefit	2,885,000	2,885,000	0
H. Staffing for Collection of FFP for Contracted Services	2,148,000	2,148,000	0
I. Total Staffing	\$417,475,000	\$416,309,000	-\$1,166,000
II. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollments	1,831,000	1,831,000	0
C. Compliance with HCBS Waiver Requirements	9,200,000	9,200,000	0
D. Legislative Augmentation: Increase in Case Managers	3,200,000	3,200,000	0
E. Targeted Case Management	4,129,000	4,129,000	0
F. Nursing Home Reform/Pre-Admission Screening and Resident Review	623,000	623,000	0
G. Total Federal Compliance	\$40,118,000	\$40,118,000	\$0
III. PROJECTS			
A. Information Technology Costs:	\$5,084,000	\$4,563,000	-\$521,000
1. Applications Support	2,091,000	2,308,000	217,000
2. Data Processing	2,993,000	2,255,000	-738,000
B. Clients' Rights Advocacy Contract	4,694,000	4,694,000	0
C. Life Quality Assessment Contract	4,661,000	4,519,000	-142,000
D. Direct Support Professional Training	3,582,000	3,582,000	0
E. Office of Administrative Hearings Contract	2,211,000	2,211,000	0
F. Wellness Projects	1,490,000	1,490,000	0
G. Foster Grandparent / Senior Companion Programs	1,149,000	1,149,000	0
H. Special Incident Reporting/Risk Assessment Contract	833,000	833,000	0
I. Expansion of Autistic Spectrum Disorders Initiative	780,000	780,000	0
J. Sherry S. Court Case / Los Angeles County Hops	534,000	534,000	0
K. Movers Evaluation Contract	600,000	600,000	0
L. Enhancing FFP, Phase II, Proposal C, Consultant	530,000	530,000	0
M. University Enterprises, Inc. (formerly CSUS Foundation)	155,000	155,000	0
N. Affordable Housing	90,000	90,000	0
O. Cost Containment:	-490,000	-490,000	0
P. Capitol People First v. DDS	246,000	246,000	0
Q. Real Choice Systems Change Grant	0	38,000	38,000
R. ProRata	3,000	3,000	0
S. Total Projects	\$26,152,000	\$25,527,000	-\$625,000
IV. GRAND TOTAL	\$483,745,000	\$481,954,000	-\$1,791,000

Operations
POPULATION AND OPERATIONS SUMMARY
BUDGET YEAR 2007-08

	2007-08 Governor's Budget BY 2007-08	2007-08 May Revision BY 2007-08	Difference
POPULATION			
Active (Age 3 & Older)	191,975	190,925	-1,050
Early Start (Birth through 2 Years)	28,625	28,305	-320
Total Community Population	220,600	219,230	-1,370
OPERATIONS			
I. STAFFING			
A. Core Staffing	\$432,497,000	\$427,759,000	-\$4,738,000
B. Intake and Assessment	-4,465,000	-4,465,000	0
C. Community Placement Plan	19,865,000	21,378,000	1,513,000
D. Placement Continuation for Agnews Closure	423,000	338,000	-85,000
E. Unallocated Reduction	-10,559,000	-10,559,000	0
F. Cost Containment	-5,968,000	-5,968,000	0
G. Medicare Part D Prescription Drug Benefit	0	0	0
H. Staffing for Collection of FFP for Contracted Services	2,157,000	2,159,000	2,000
I. Total Staffing	\$433,950,000	\$430,642,000	-\$3,308,000
II. FEDERAL COMPLIANCE			
A. HCBS Waiver	\$21,135,000	\$21,135,000	\$0
B. Accelerated HCBS Waiver Enrollment:	1,153,000	1,158,000	5,000
C. Compliance with HCBS Waiver Requirement:	9,200,000	9,200,000	0
D. Legislative Augmentation: Increase in Case Manager	3,334,000	3,320,000	-14,000
E. Targeted Case Management	4,129,000	4,129,000	0
F. Nursing Home Reform/Pre-Admission Screening and Resident Review	623,000	623,000	0
G. Total Federal Compliance	\$39,574,000	\$39,565,000	-\$9,000
III. PROJECTS			
A. Information Technology Costs	\$5,084,000	\$4,967,000	-\$117,000
2. Applications Support	2,091,000	3,167,000	1,076,000
3. Data Processing	2,993,000	1,800,000	-1,193,000
B. Clients' Rights Advocacy Contract	5,121,000	5,121,000	0
C. Life Quality Assessment Contract	4,739,000	4,739,000	0
D. Direct Support Professional Training	3,582,000	3,582,000	0
E. Office of Administrative Hearings Contract	2,211,000	2,211,000	0
F. Wellness Projects	1,490,000	1,490,000	0
G. Foster Grandparent / Senior Companion Program	1,149,000	1,149,000	0
H. Special Incident Reporting/Risk Assessment Contract	833,000	833,000	0
I. Sherry S. Court Case / Los Angeles County Hospital	534,000	534,000	0
J. Movers Evaluation Contract	600,000	600,000	0
K. Enhancing FFP, Phase II, Proposal C, Consultant	530,000	530,000	0
L. University Enterprises, Inc. (formerly CSUS Foundation)	155,000	155,000	0
M. Affordable Housing	90,000	90,000	0
N. Cost Containment	-490,000	-490,000	0
O. Capitol People First v. DDS	0	0	0
P. Self-Directed Services: Training and Development	200,000	200,000	0
Q. ProRata	0	0	0
R. Total Projects	\$25,828,000	\$25,711,000	-\$117,000
IV. MAJOR ASSUMPTIONS			
A. New Major Assumption			
Department of Social Services' Dual-Agency Proposal	\$0	-\$14,000	-\$14,000
B. Revised Major Assumption			
Staffing for Self-Directed HCBS Waiver	1,554,000	1,149,000	-405,000
C. Total Major Assumptions	\$1,554,000	\$1,135,000	-\$419,000
V. GRAND TOTAL	\$500,906,000	\$497,053,000	-\$3,853,000

Purchase of Services

	CY 2006-07			BY 2007-08		
	2007-08 Governor's <u>Budget</u>	2007-08 May <u>Revision</u>	<u>Difference</u>	2007-08 Governor's <u>Budget</u>	2007-08 May <u>Revision</u>	<u>Difference</u>
A. Base	\$2,395,735,000	\$2,385,819,000	-\$9,916,000	\$2,725,205,000	\$2,725,692,000	\$487,000
B. Updated Population, Utilization and Expenditure Data	147,188,000	181,125,000	33,937,000	153,234,000	183,245,000	30,011,000
C. Community Placement Plan (CPP)	69,792,000	59,486,000	-10,306,000	93,464,000	97,223,000	3,759,000
D. Placement/Deflection Continuation	51,689,000	28,103,000	-23,586,000	57,672,000	64,178,000	6,506,000
E. Medical Facility Gap for Resource Development	3,721,000	1,860,000	-1,861,000	3,721,000	1,536,000	-2,185,000
F. Medicare Part D Rx Benefit	4,765,000	4,765,000	0	4,765,000	4,765,000	0
G. 3% Provider Rate Increase	70,146,000	70,146,000	0	3,450,000	3,450,000	0
H. Medi-Cal Dental Cap for Adults	130,000	130,000	0	10,000	10,000	0
I. Provider Resources for FFP Contracted Services	1,317,000	1,317,000	0	509,000	509,000	0
J. 2006-07 Legislative Augmentations	38,038,000	38,090,000	52,000	2,102,000	2,585,000	483,000
1. Day Program & WAP Wage & Rate Inc.	15,777,000	16,194,000	417,000	820,000	1,063,000	243,000
2. Look-Alike Day Program Wage & Rate Increase	3,323,000	2,958,000	-365,000	473,000	546,000	73,000
3. SEP Rate Increase	15,938,000	15,938,000	0	809,000	976,000	167,000
4. One-Time Targeted Startup	3,000,000	3,000,000	0	0	0	0
K. Minimum Wage Increases	26,350,000	26,350,000	0	45,044,000	45,044,000	0
L. Increase ICF-DD Bundled Rate	N/A	N/A	N/A	-44,000,000	-44,000,000	0
M. Transfer to Developmental Centers	In POS Above	0	0	N/A	N/A	N/A
N. New & Revised Major Assumptions:						
1. DSS Dual Agency Foster Care and Adoption Assistance Program	N/A	N/A	N/A	N/A	107,000	107,000
2. Self-Directed Services	N/A	N/A	N/A	-128,000	137,000	265,000
O. TOTAL	\$2,808,871,000	\$2,797,191,000	-\$11,680,000	\$3,045,048,000	\$3,084,481,000	\$39,433,000

Purchase of Services

Summary of Utilization Change/Growth and Average Cost Increase

CY 2006-07

	2007-08 Governor's Budget CY 2006-07	2007-08 May Revision CY 2006-07	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$17,205,000	\$24,156,000	\$6,951,000
1. Caseload Growth	4,782,000	9,849,000	5,067,000
2. Average Cost Increase	12,423,000	14,307,000	1,884,000
B. Medical Facilities	453,000	510,000	\$57,000
C. Day Programs	30,206,000	38,365,000	\$8,159,000
1. Caseload Growth	30,206,000	31,541,000	1,335,000
2. Average Cost Increase	0	6,824,000	6,824,000
D. Habilitation Services	2,394,000	2,644,000	250,000
1. Work Activity Program	981,000	144,000	-837,000
2. Supported Employment (SE) Group	604,000	1,645,000	1,041,000
3. SE Individual Placements	809,000	855,000	46,000
E. Transportation	8,887,000	11,865,000	2,978,000
F. Support Services	50,957,000	51,634,000	677,000
G. In-Home Respite	7,882,000	10,571,000	2,689,000
H. Out-of-Home Respite	2,225,000	4,305,000	2,080,000
I. Health Care	5,107,000	6,169,000	1,062,000
J. Miscellaneous	34,573,000	44,621,000	10,048,000
K. TOTAL UTILIZATION CHANGE/ GROWTH	\$159,889,000	\$194,840,000	\$34,951,000

Purchase of Services

Summary of Utilization Change/Growth and Average Cost Increase

BY 2007-08

	2007-08 Governor's Budget BY 2007-08	2007-08 May Revision BY 2007-08	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$20,247,000	\$26,756,000	\$6,509,000
1. Caseload Growth	6,947,000	11,333,000	4,386,000
2. Average Cost Increase	13,300,000	15,423,000	2,123,000
B. Medical Facilities	453,000	673,000	220,000
C. Day Programs	31,582,000	37,858,000	6,276,000
1. Caseload Growth	31,582,000	30,287,000	-1,295,000
2. Average Cost Increase	0	7,571,000	7,571,000
D. Habilitation Services	1,155,000	2,325,000	1,170,000
1. Work Activity Program	114,000	455,000	341,000
2. Supported Employment (SE) Group	256,000	1,033,000	777,000
3. SE Individual Placements	785,000	837,000	52,000
E. Transportation	8,384,000	9,950,000	1,566,000
F. Support Services	53,061,000	46,382,000	-6,679,000
G. In-Home Respite	6,777,000	8,737,000	1,960,000
H. Out-of-Home Respite	618,000	4,846,000	4,228,000
I. Health Care	5,006,000	5,467,000	461,000
J. Miscellaneous	34,540,000	46,217,000	11,677,000
K. TOTAL UTILIZATION CHANGE/ GROWTH	\$161,823,000	\$189,211,000	\$27,388,000

Purchase of Services

Summary of Utilization Change/Growth and Average Cost Increase

CY 2006-07 and BY 2007-08

	2007-08 May Revision CY 2006-07	2007-08 May Revision BY 2007-08	Difference
UTILIZATION CHANGE/GROWTH			
A. Community Care Facilities	\$24,156,000	\$26,756,000	\$2,600,000
1. Caseload Growth	9,849,000	11,333,000	1,484,000
2. Average Cost Increase	14,307,000	15,423,000	1,116,000
B. Medical Facilities	510,000	673,000	163,000
C. Day Programs	38,365,000	37,858,000	-507,000
1. Caseload Growth	31,541,000	30,287,000	-1,254,000
2. Average Cost Increase	6,824,000	7,571,000	747,000
D. Habilitation Services	2,644,000	2,325,000	-319,000
1. Work Activity Program	144,000	455,000	311,000
2. Supported Employment (SE) Group	1,645,000	1,033,000	-612,000
3. SE Individual Placements	855,000	837,000	-18,000
E. Transportation	11,865,000	9,950,000	-1,915,000
F. Support Services	51,634,000	46,382,000	-5,252,000
G. In-Home Respite	10,571,000	8,737,000	-1,834,000
H. Out-of-Home Respite	4,305,000	4,846,000	541,000
I. Health Care	6,169,000	5,467,000	-702,000
J. Miscellaneous	44,621,000	46,217,000	1,596,000
K. TOTAL	\$194,840,000	\$189,211,000	-\$5,629,000

Purchase of Services
Placement and Deflection Continuation
Current Year 2006-07

For the 2007-08 May Revision, all CY 2006-07 Placement and Deflection Continuation (PDC) costs have been updated.

Living Arrangement	# of Consumers	% of Total	Consumer Months (Full Year)	Living Arrangement			Day Programs	WAP Services	SEP Group	SEP Indiv	Transportation	Support Services	In-Home Respite	Health Care	Misc.	Total
				CCF	ICF	Supported Living										
A. REGULAR CPP																
• CCF																
• Residential Facilities	109	69%	1,308	\$8,990,000			\$1,456,000	\$31,000			\$222,000	\$732,000		\$116,000	\$349,000	\$11,896,000
Avg Annual Cost/Consumer				\$82,477			\$13,358	\$284			\$2,037	\$6,716		\$1,064	\$3,202	\$109,138
• ICF	12	8%	144		\$158,000		\$167,000				\$59,000	\$1,000		\$41,000	\$11,000	\$437,000
Avg Annual Cost/Consumer					N/A		\$13,917				\$4,917	\$83		\$3,417	\$917	\$23,251
• Supported Living	19	12%	228			\$782,000	\$247,000		\$18,000		\$14,000	\$2,236,000		\$37,000	\$189,000	\$3,523,000
Avg Annual Cost/Consumer						\$41,158	\$13,000	\$947			\$737	\$117,684		\$1,947	\$9,947	\$185,420
• Other	17	11%	204	\$119,000			\$252,000	\$11,000			\$49,000	\$196,000	\$6,000	\$13,000	\$2,000	\$648,000
Avg Annual Cost/Consumer				\$7,000			\$14,824	\$647			\$2,882	\$11,529	\$353	\$765	\$118	\$38,118
Subtotal	157	100%	1,884	\$9,109,000	\$158,000	\$782,000	\$2,122,000	\$42,000	\$18,000	\$0	\$344,000	\$3,165,000	\$6,000	\$207,000	\$551,000	\$16,504,000
B. AGNEWS UNIFIED CPP																
• CCF																
• Residential Facilities	24	66%	288	\$2,472,000			\$559,000				\$110,000	\$150,000		\$11,000	\$142,000	\$3,444,000
Avg Annual Cost/Consumer				\$103,000			\$23,292				\$4,583	\$6,250		\$458	\$5,917	\$143,500
• ICF	9	25%	108		\$146,000		\$156,000				\$49,000	\$36,000			\$2,000	\$389,000
Avg Annual Cost/Consumer					N/A		\$17,333				\$5,444	\$4,000			\$222	\$26,999
• Supported Living	2	6%	24								\$1,000	\$422,000				\$423,000
Avg Annual Cost/Consumer											\$500	\$211,000				\$211,500
• Other	1	3%	12													\$0
Avg Annual Cost/Consumer																\$0
Subtotal	36	100%	432	\$2,472,000	\$146,000	\$0	\$715,000	\$0	\$0	\$0	\$160,000	\$608,000	\$0	\$11,000	\$144,000	\$4,256,000
C. AGNEWS OTHER CPP																
• CCF																
• Residential Facilities	4	100%	48	\$310,000			\$11,000				\$18,000			\$118,000	\$147,000	\$604,000
Avg Annual Cost/Consumer				\$77,500			\$2,750				\$4,500			\$29,500	\$36,750	\$151,000
Subtotal	4	100%	48	\$310,000	\$0	\$0	\$11,000	\$0	\$0	\$0	\$18,000	\$0	\$0	\$118,000	\$147,000	\$604,000
D. TOTAL PLACEMENT CONTINUATION (A. + B.+ C.)	197	100%	2,364	\$11,891,000	\$304,000	\$782,000	\$2,848,000	\$42,000	\$18,000	\$0	\$522,000	\$3,773,000	\$6,000	\$336,000	\$842,000	\$21,364,000
E. DEFLECTION CONTINUATION	106	100%	1,272	\$5,905,000	\$225,000	\$527,000	\$25,000	\$0	\$0	\$0	\$1,000	\$56,000	\$0	\$0	\$0	\$6,739,000
F. TOTAL CONTINUATION (D. + E.)	303	100%	3,636	\$17,796,000	\$529,000	\$1,309,000	\$2,873,000	\$42,000	\$18,000	\$0	\$523,000	\$3,829,000	\$6,000	\$336,000	\$842,000	\$28,103,000

Purchase of Services
Placement and Deflection Continuation
Budget Year 2007-08

For the 2007-08 May Revision, all BY 2007-08 CPP and PDC costs were updated based on the CPPs received from the regional centers in January 2007.

Living Arrangement	# of Consumers	% of Total Consumer Months (Full Year)	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total	
			CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual								
A. REGULAR CPP																		
● Community Care Facilities (CCF) ● Residential Facilities Avg Annual Cost/Consumer	41	23%	492	\$2,170,000 \$52,927				\$1,267,000 \$30,902				\$167,000 \$4,073	\$924,000 \$22,537	\$1,000 \$24	\$6,000 \$146	\$52,000 \$1,268	\$1,213,000 \$29,585	\$5,800,000 \$141,462
● Specialized Residential Facilities (SRF) Avg Annual Cost/Consumer	79	45%	948	\$8,003,000 \$101,304				\$1,917,000 \$24,266		\$127,000 \$1,608		\$445,000 \$5,633	\$643,000 \$8,139		\$62,000 \$785	\$470,000 \$5,949	\$622,000 \$7,873	\$12,289,000 \$155,557
● Adult Family Home Agencies Avg Annual Cost/Consumer	1	1%	12		\$61,000 \$61,000			\$18,000 \$18,000				\$6,000 \$6,000	\$18,000 \$18,000			\$18,000 \$18,000	\$4,000 \$4,000	\$125,000 \$125,000
● Intermediate Care Facilities (ICF) Avg Annual Cost/Consumer	25	14%	300			\$1,308,000 N/A		\$493,000 \$19,720				\$133,000 \$5,320	\$86,000 \$3,440		\$13,000 \$520	\$92,000 \$3,680	\$717,000 \$28,680	\$2,842,000 \$61,360
● Supported Living Avg Annual Cost/Consumer	30	17%	360				\$4,659,000 \$155,300	\$679,000 \$22,633	\$3,000 \$100	\$152,000 \$5,067		\$167,000 \$5,567	\$297,000 \$9,900		\$14,000 \$467	\$198,000 \$6,600	\$111,000 \$3,700	\$6,280,000 \$209,334
Subtotal	176	100%	2,112	\$10,173,000	\$61,000	\$1,308,000	\$4,659,000	\$4,374,000	\$3,000	\$279,000	\$0	\$918,000	\$1,968,000	\$1,000	\$95,000	\$830,000	\$2,667,000	\$27,336,000
B. AGNEWS OTHER CPP																		
● CCF ● Residential Facilities Avg Annual Cost/Consumer	5	50%	60	\$254,000 \$50,800		\$139,000 N/A						\$30,000 \$6,000	\$81,000 \$16,200		\$7,000 \$1,400	\$12,000 \$2,400	\$21,000 \$4,200	\$544,000 \$81,000
● SRF 1 bed Avg Annual Cost/Consumer	1	10%	12	\$101,000 \$101,000		\$25,000 N/A					\$6,000 \$6,000	\$50,000 \$50,000				\$11,000 \$11,000		\$193,000 \$168,000
● SRF 3 bed Avg Annual Cost/Consumer	1	10%	12	\$102,000 \$102,000		\$23,000 N/A						\$23,000 \$23,000				\$11,000 \$11,000		\$159,000 \$136,000
● SRF 4 bed Avg Annual Cost/Consumer	3	30%	36	\$395,000 \$131,667		\$171,000 N/A					\$56,000 \$18,667	\$89,000 \$29,667		\$20,000 \$6,667	\$11,000 \$3,667	\$49,000 \$16,333		\$791,000 \$206,668
Subtotal	10	100%	120	\$852,000	\$0	\$358,000	\$0	\$0	\$0	\$0	\$92,000	\$243,000	\$0	\$27,000	\$23,000	\$92,000	\$0	\$1,687,000

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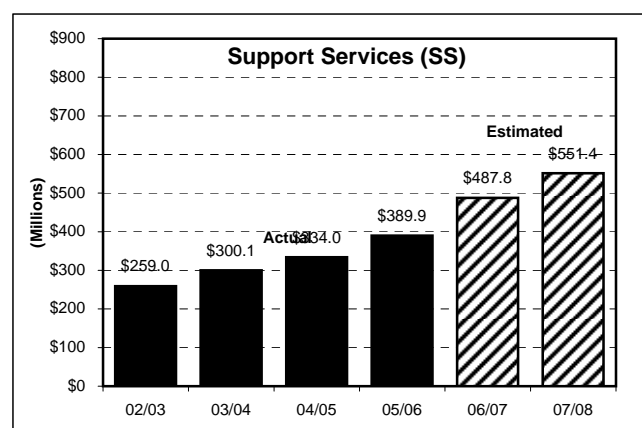
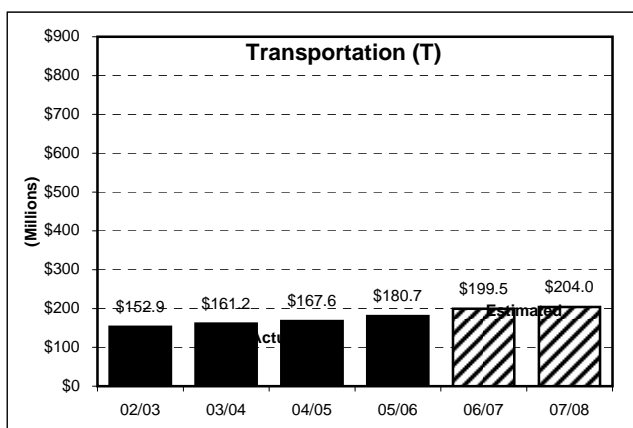
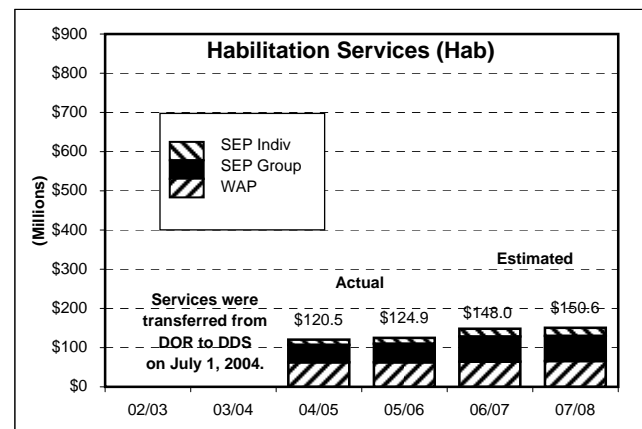
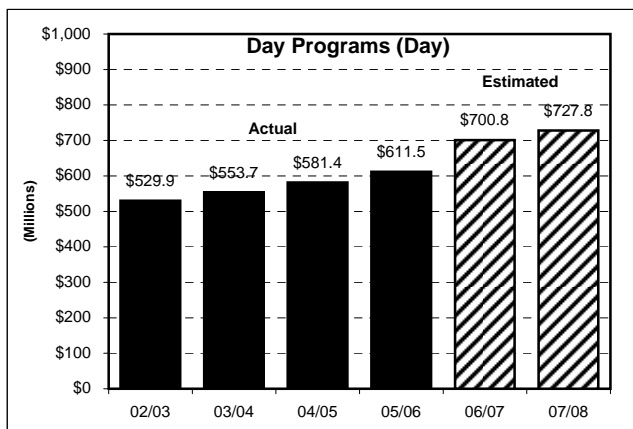
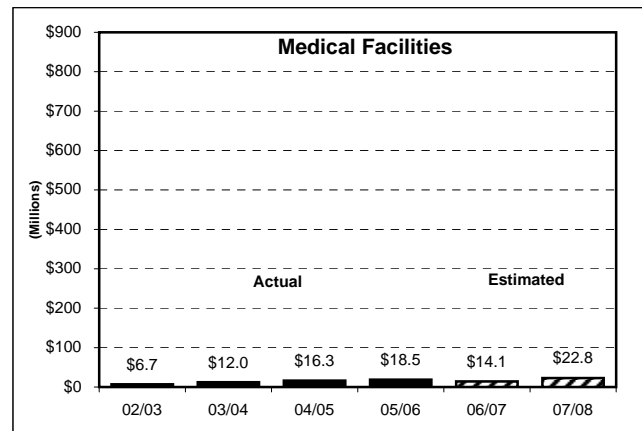
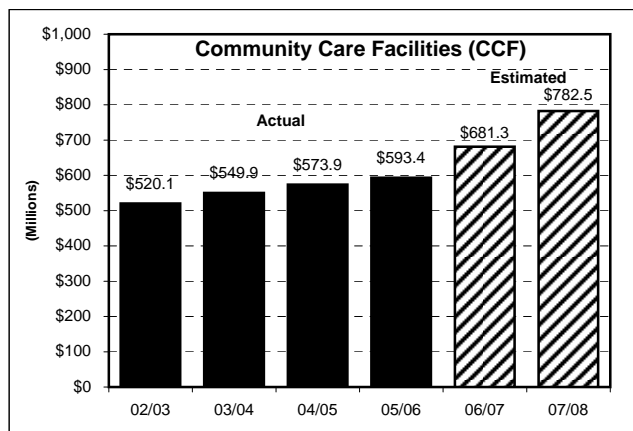
Purchase of Services
Placement and Deflection Continuation
Budget Year 2007-08 (continued)

Living Arrangement	# of Consumers	% of Total Consumer Months (Full Year)	Living Arrangement				Day Programs	Work Activity Program	Supported Employment Program		Transportation	Support Services	In-Home Respite	Out-of-Home Respite	Health Care	Misc.	Total	
			CCF	Adult Family Home Agencies	Intermediate Care Facilities	Supported Living			Group	Individual								
C. AGNEWS UNIFIED CPP																		
● CCF																		
● Residential Facilities	4	7%	48	\$176,000			\$83,000				\$22,000						\$281,000	
Avg Annual Cost/Consumer				\$44,000			\$20,750				\$5,500						\$70,250	
● SRF 3-Bed - Hallmark RCEB	2	3%	24	\$697,000			\$76,000				\$13,000						\$786,000	
Avg Annual Cost/Consumer				\$348,500			\$38,000				\$6,500						\$393,000	
● SRF 3-Bed - Hallmark SARC	5	8%	60	\$813,000			\$105,000				\$27,000						\$945,000	
Avg Annual Cost/Consumer				\$162,600			\$21,000				\$5,400						\$189,000	
● SRF 4-Bed - Hallmark RCEB	2	3%	24	\$758,000			\$76,000				\$13,000						\$847,000	
Avg Annual Cost/Consumer				\$379,000			\$38,000				\$6,500						\$423,500	
● SRF 4-Bed - Hallmark SARC	4	7%	48	\$1,041,000			\$83,000				\$31,000						\$1,155,000	
Avg Annual Cost/Consumer				\$260,250			\$20,750				\$7,750						\$288,750	
● SB 962 4-Bed Hallmark GGRC	4	7%	48	\$1,076,000			\$144,000				\$29,000						\$1,249,000	
Avg Annual Cost/Consumer				\$269,000			\$36,000				\$7,250						\$312,250	
● SB 962 5-Bed Hallmark SARC	1	2%	12	\$423,000			\$29,000				\$8,000						\$460,000	
Avg Annual Cost/Consumer				\$423,000			\$29,000				\$8,000						\$460,000	
● Adult Family Home Agencies																		
● Adult Family Home	5	8%	60		\$355,000		\$105,000				\$39,000						\$499,000	
Avg Annual Cost/Consumer					\$71,000		\$21,000				\$7,800						\$99,800	
● Family Teaching Home (FTH)																		
● Hallmark SARC	7	12%	84		\$1,603,000		\$146,000				\$54,000						\$1,803,000	
Avg Annual Cost/Consumer					\$229,000		\$20,857				\$7,714						\$257,571	
● Intermediate Care Facilities (ICF)	19	32%	228			\$6,295,000	\$510,000				\$107,000	\$130,000			\$132,000	\$216,000	\$7,390,000	
Avg Annual Cost/Consumer						N/A	\$26,842				\$5,632	\$6,842			\$6,947	\$11,368	\$57,631	
● Supported Living	5	8%	60				\$885,000	\$33,000			\$7,000				\$2,000		\$927,000	
Avg Annual Cost/Consumer							\$177,000	\$6,600			\$1,400				\$400		\$185,400	
● Other (Own Home, etc.)	2	3%	24				\$20,000				\$3,000	\$15,000	\$19,000		\$26,000		\$83,000	
Avg Annual Cost/Consumer							\$10,000				\$1,500	\$7,500	\$9,500		\$13,000		\$41,500	
● Additional Services & Supports a/												\$184,000			\$81,000	\$103,000	\$368,000	
Subtotal	60	100%	720	\$4,984,000	\$1,958,000	\$6,295,000	\$885,000	\$1,410,000	\$0	\$0	\$0	\$353,000	\$329,000	\$19,000	\$0	\$241,000	\$319,000	\$16,793,000
D. TOTAL PLACEMENT CONTINUATION (A. + B. + C.)																		
	246	100%	2,952	\$16,009,000	\$2,019,000	\$7,961,000	\$5,544,000	\$5,784,000	\$3,000	\$279,000	\$92,000	\$1,514,000	\$2,297,000	\$47,000	\$118,000	\$1,163,000	\$2,986,000	\$45,816,000
E. DEFLECTION CONTINUATION																		
	137	100%	1,644	\$15,386,000	\$120,000	\$0	\$2,856,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,362,000
F. TOTAL CONTINUATION (D. + E.)																		
	383	100%	4,596	\$31,395,000	\$2,139,000	\$7,961,000	\$8,400,000	\$5,784,000	\$3,000	\$279,000	\$92,000	\$1,514,000	\$2,297,000	\$47,000	\$118,000	\$1,163,000	\$2,986,000	\$64,178,000

a/ Supplemental services needed to support an individual for pre-placement and for the initial period of placement.

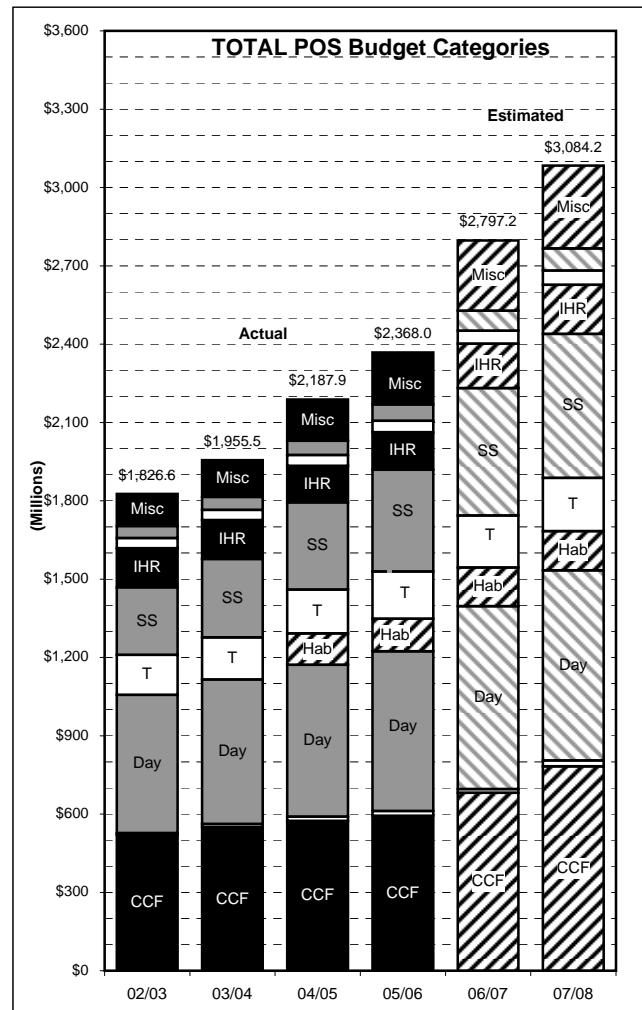
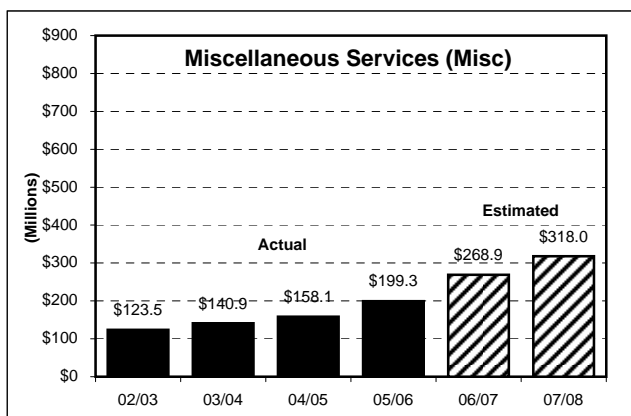
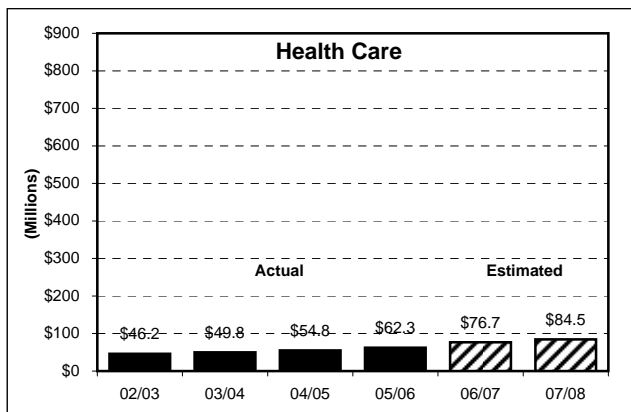
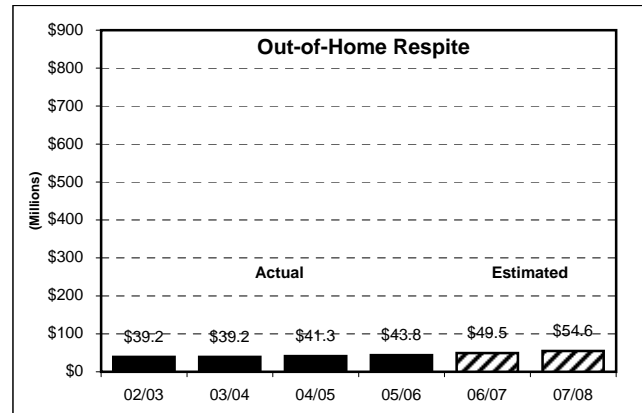
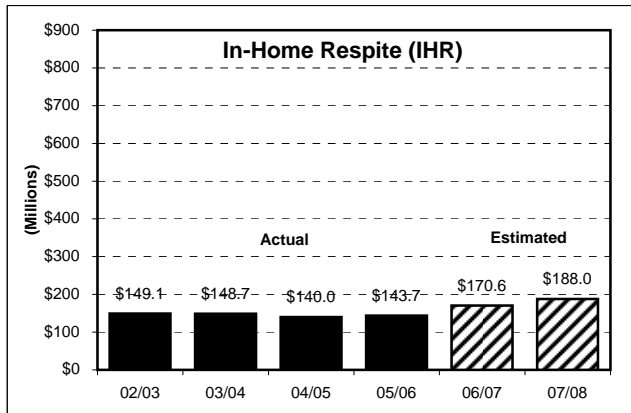
Purchase of Services TOTAL EXPENDITURES by Budget Category

(includes Minimum Wage Increases, excludes New Major Assumptions)



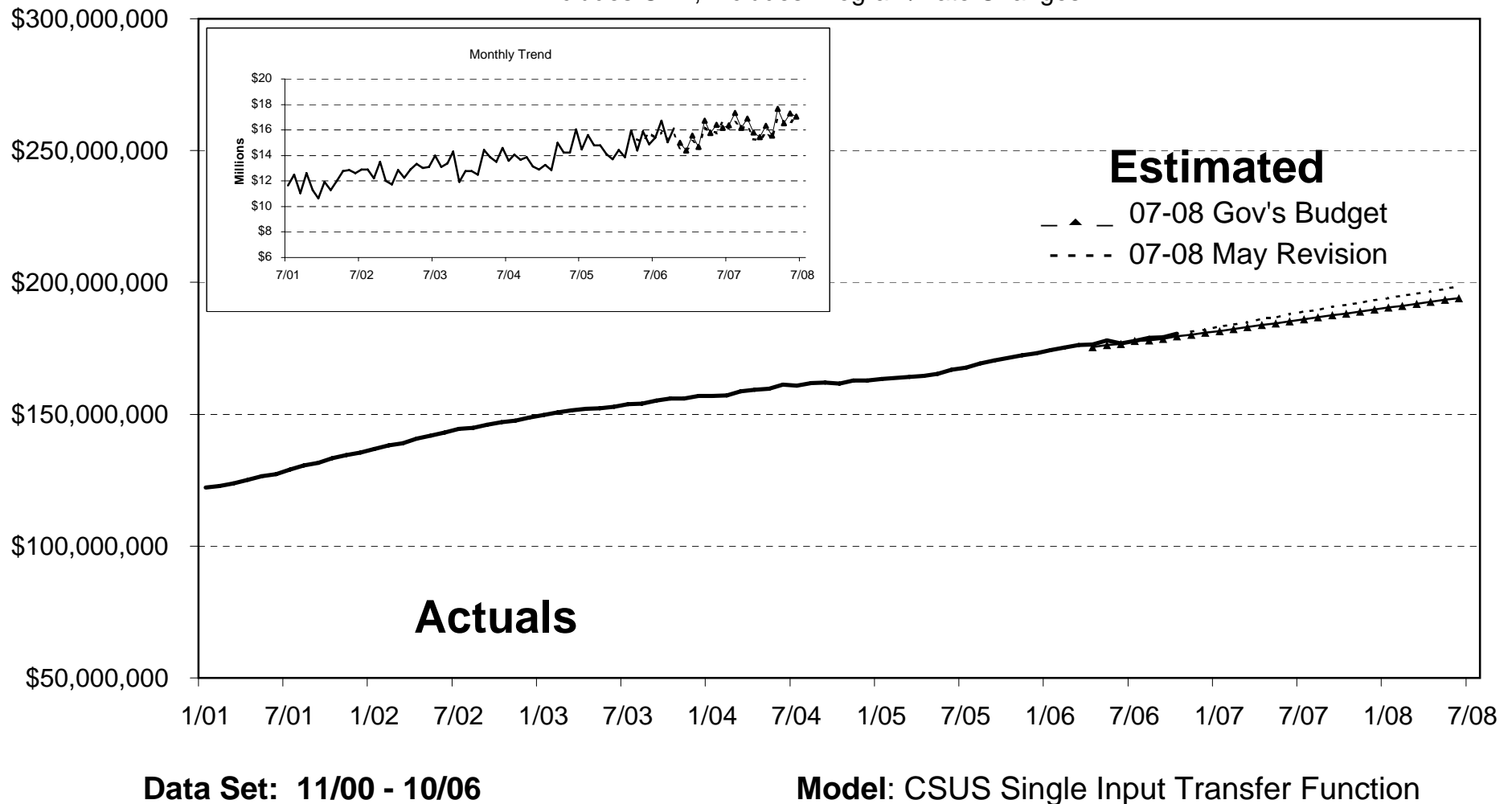
Purchase of Services TOTAL EXPENDITURES by Budget Category

(includes Minimum Wage Increases, excludes New Major Assumptions)



Purchase of Services
TRANSPORTATION

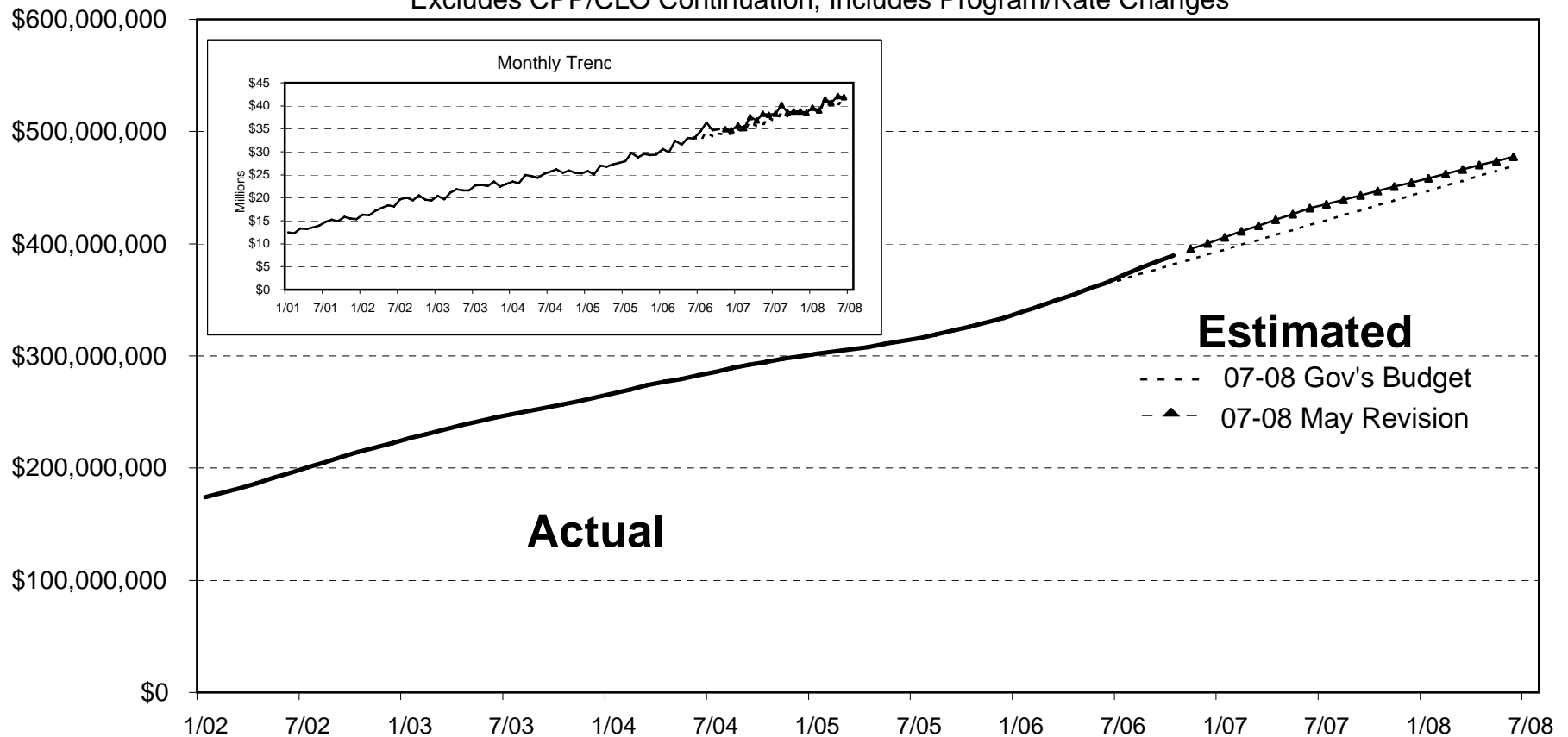
12-month Moving Total Trend
Excludes CPP, Includes Program/Rate Changes



Purchase of Services **SUPPORT SERVICES**

12-month Moving Total Trend

Excludes CPP/CLO Continuation, Includes Program/Rate Changes



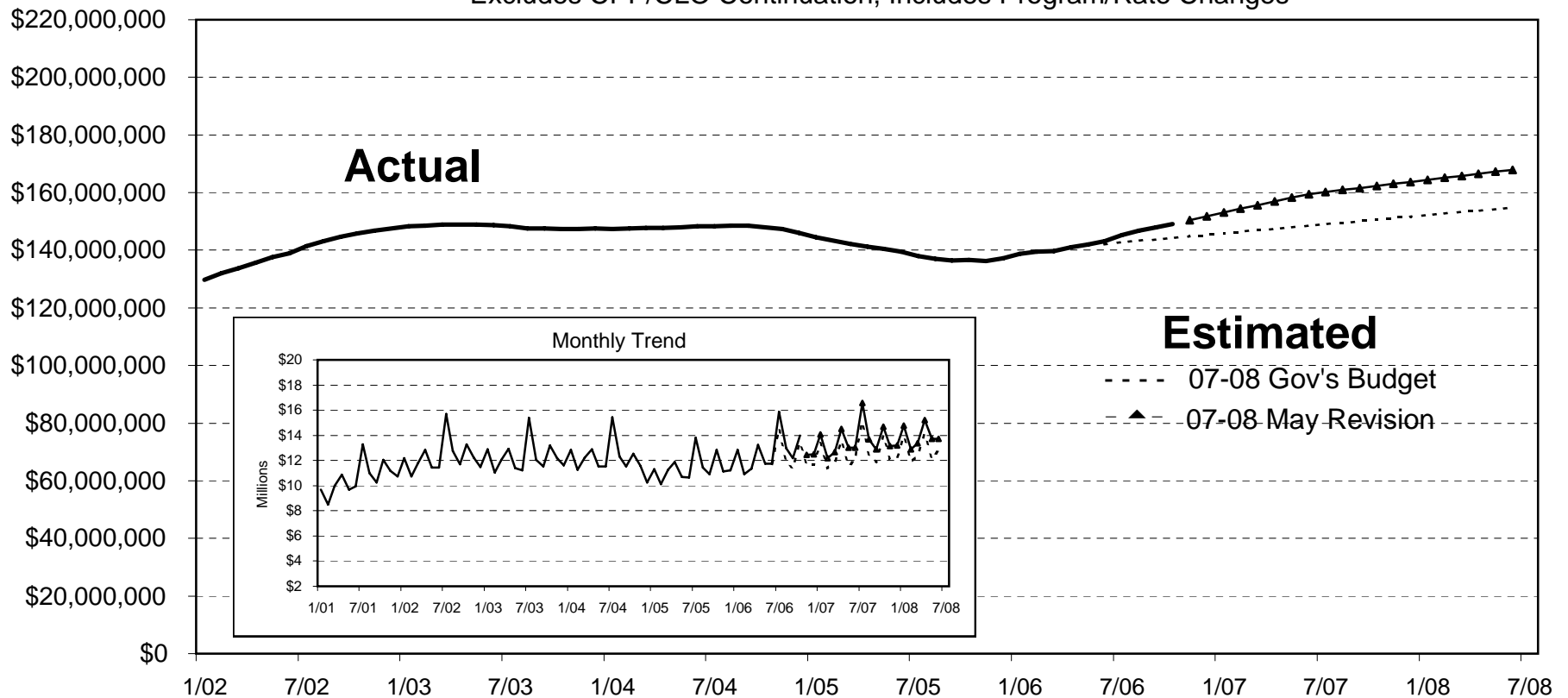
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Model: Single Input Autism In-Trend Transfer Function

Purchase of Services IN-HOME RESPIRE SERVICES

12-month Moving Total Trend

Excludes CPP/CLO Continuation, Includes Program/Rate Changes



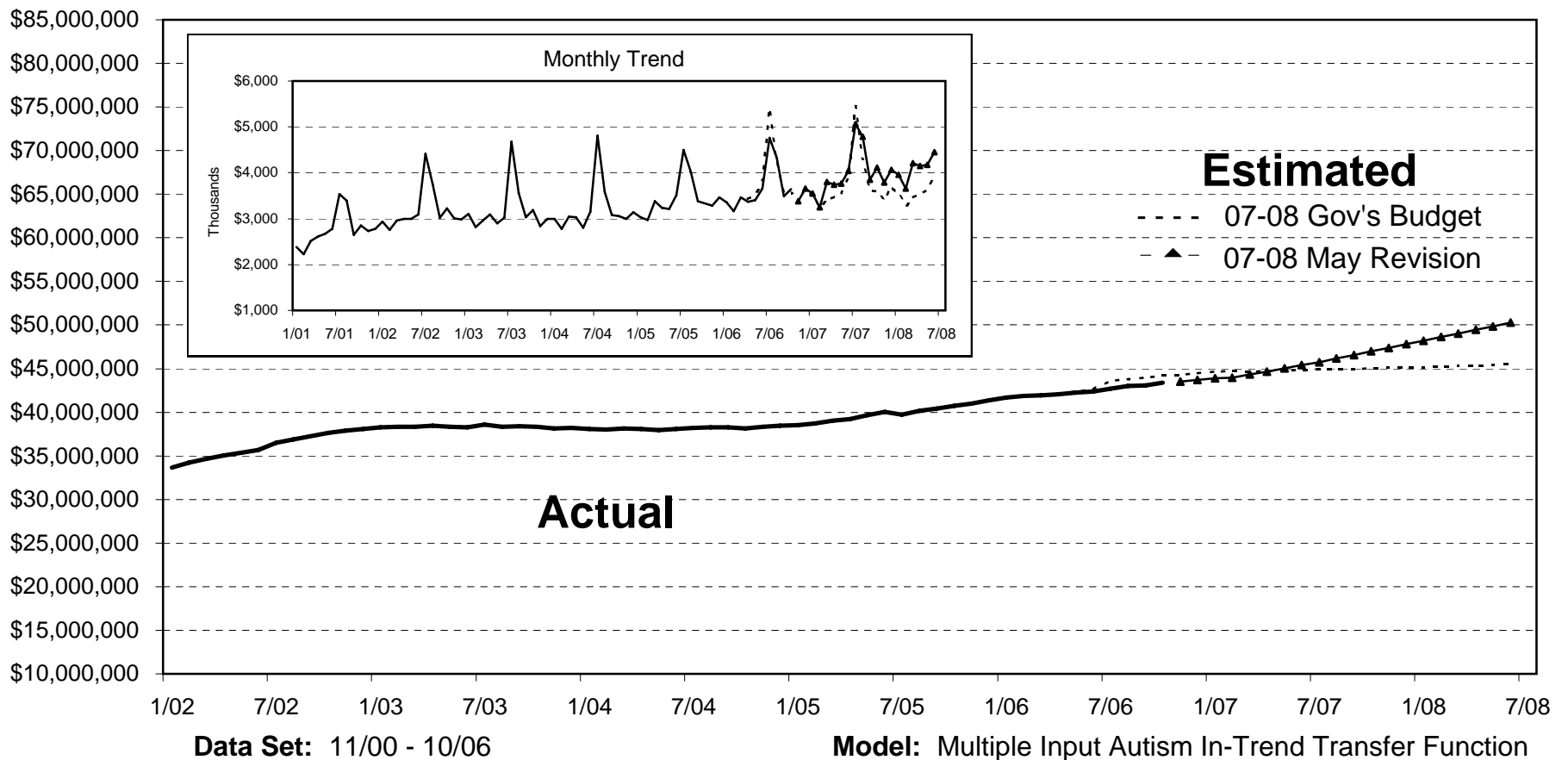
Data Set: 11/00 - 10/06

Model: Multiple Input Autism In-Trend Transfer Function

Purchase of Services OUT-OF-HOME RESPIRE SERVICES

12-month Moving Total Trend

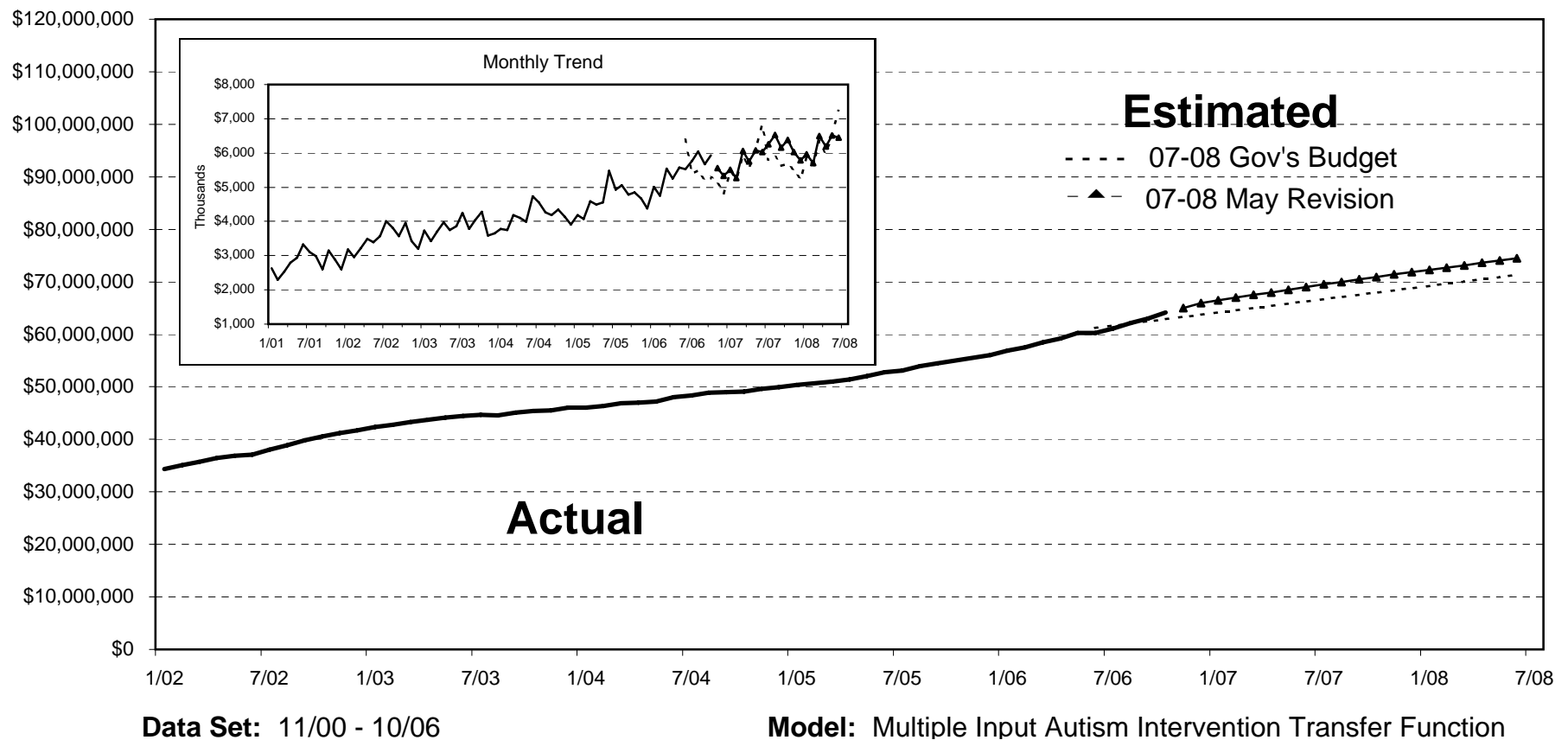
Excludes CPP/CLO Continuation, Includes Program/Rate Changes



Purchase of Services HEALTH CARE SERVICES

12-month Moving Total Trend

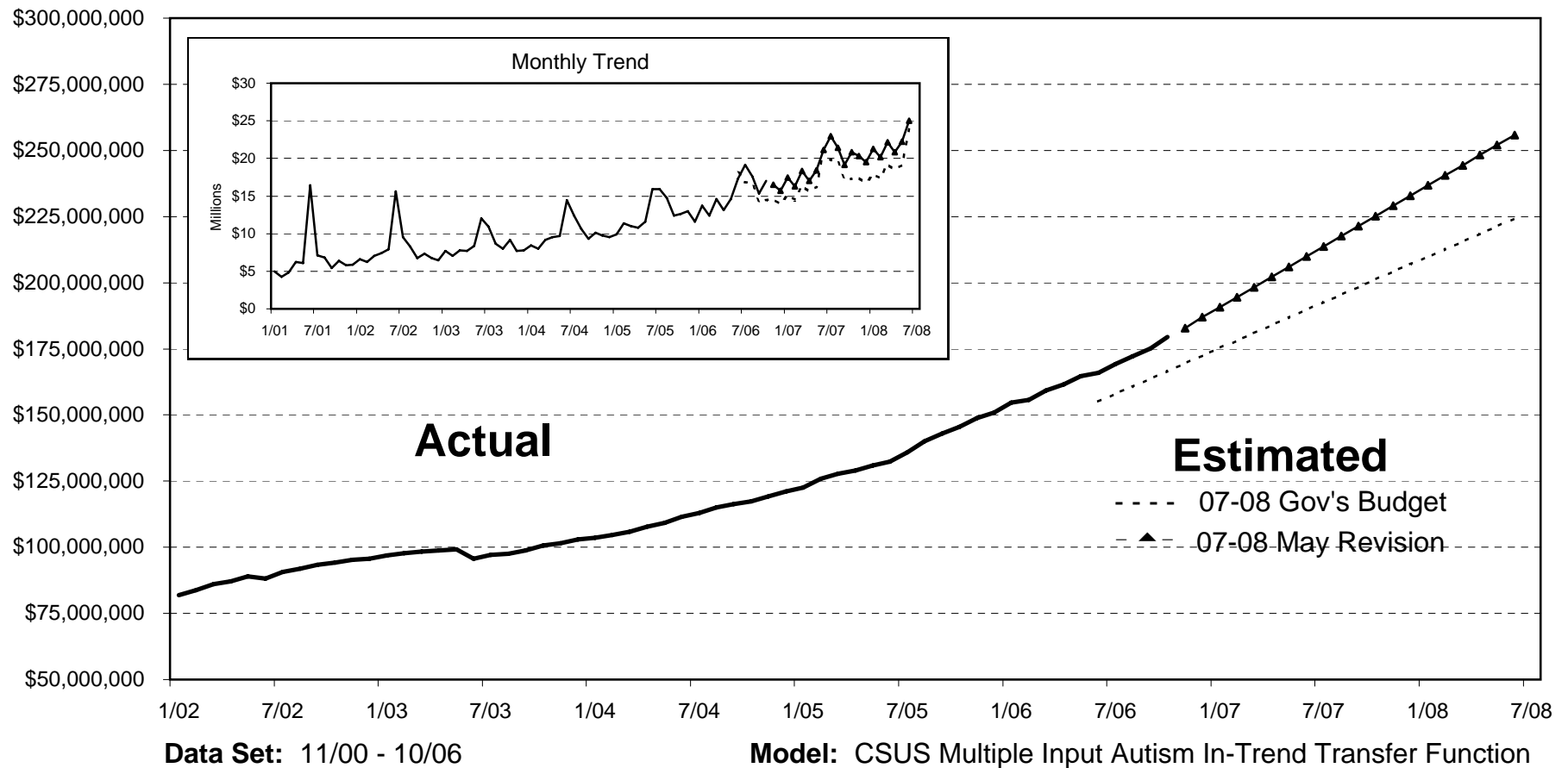
Excludes CPP/CLO Continuation, Includes Program/Rate Changes



Purchase of Services MISCELLANEOUS SERVICES

12-month Moving Total Trend

Excludes CPP/CLO Continuation, Includes Program/Rate Changes



Reimbursements

Summary of Reimbursements and General Fund (GF) Match

REIMBURSEMENTS ^{a/}	2007-08 May Revision CY 2006-07	2007-08 May Revision BY 2007-08
A. Home and Community-Based Services (HCBS) Waiver	\$1,515,235,000	\$1,645,014,000
1. Reimbursement (from DHS) = 50%	757,618,000	822,507,000
2. DDS GF Match = 50%	757,617,000	767,603,000
3. PTA Match (Purchase of Services)	N/A	54,904,000
B. HCBS Waiver Administration	\$4,298,000	\$4,306,000
1. Reimbursement (from DHS) = 50%	2,149,000	2,153,000
2. DDS GF Match = 50% (Operations)	2,149,000	2,153,000
C. Medicaid Administration	\$18,285,000	\$18,745,000
1. Reimbursement (from DHS) = 75%	13,714,000	14,059,000
2. DDS GF Match = 25% (Operations)	4,571,000	4,686,000
D. Targeted Case Management (TCM)	\$291,914,000	\$292,045,000
1. Reimbursement (from DHS) = 50%	145,957,000	146,023,000
2. DDS GF Match = 50% (Operations)	145,957,000	146,022,000
E. Targeted Case Management Administration	\$8,638,000	\$8,638,000
1. Reimbursement (from DHS) = 50%	4,319,000	4,319,000
2. DDS GF Match = 50% (Operations)	4,319,000	4,319,000
F. Title XX Block Grant	\$203,903,000	\$203,903,000
1a. Social Services (from DSS) = 100%	147,903,000	147,903,000
1b. Temporary Assistance for Needy Families (TANF) (from DSS) = 100%	56,000,000	56,000,000
2. DDS GF Match (Purchase of Services)	0	0
G. Self-Directed Home and Community Based Services (SD-HCBS) Waiver	N/A	\$774,000
1. Reimbursement (from DHS) = 50%		387,000
2. DDS GF Match = 50% (Purchase of Services)		387,000
H. Self-Directed Home and Community Based Services Waiver Administration	N/A	\$1,149,000
1. Reimbursement (from DHS) = 50%		575,000
2. DDS GF Match = 50% (Operations)		574,000
I. Vocational Rehabilitation (VR)	\$588,000	\$588,000
1. VR Reimbursement (from DOR) 100%	588,000	588,000
2. DDS GF Match (Purchase of Services)	0	0
J. TOTAL	\$2,042,861,000	\$2,175,162,000
1. Reimbursements	1,128,248,000	1,194,514,000
2. Total GF Match	914,613,000	925,744,000
3. Total PTA Match	N/A	54,904,000

a/ Reimbursements are funds received via other state agencies.

Collection of FFP for Contracted Services

	CY 2006-07				
	(A) Total (B + E)	Fund Sources			
		(B) Federal Funds	(C)	(D)	(E)
			General Fund (GF)		
			GF Match	GF Other	Total GF (C + D)
A. Additional Contracted Services FFP (Assume 9 months)	\$0	\$12,230,000 a/d/			-\$12,230,000
1. Contract Transportation		9,905,000			
2. Other Contract Services		2,325,000			
B. Resources Needed to Capture Additional FFP					
1. RC Operations Costs -Temporary Costs	\$2,148,000	\$716,000 b/	\$716,000	\$716,000	\$1,432,000
a. Workload Implementation Costs					
2. RC Purchase of Service (POS) Costs - Ongoing Costs	1,317,000	317,000 c/d/	317,000	683,000	\$1,000,000
a. Provider Resources for Collection of FFP for Contracted Services	9 months				
b. Effective 10/1/06					
3. Total Costs	\$3,465,000	\$1,033,000	\$1,033,000	\$1,399,000	\$2,432,000
C. Net Impact (Item A. + Item B.3.)	\$3,465,000	\$13,263,000			-\$9,798,000

a/ \$12,230,000 HCBS Waiver

b/ \$716,000 HCBS Waiver Administration

c/ \$317,000 HCBS Waiver

d/ Effective date is 10/1/06.

Collection of FFP for Contracted Services

	BY 2007-08				
	(A) Total	Fund Sources			
		(B) Federal Funds	(C)	(D) General Fund (GF)	(E)
			GF Match	GF Other	Total GF (C + D)
A. Additional Contracted Services FFP (Assume 12 months)	\$0	\$16,306,000 a/			-\$16,306,000
1. Contract Transportation		13,206,000			
2. Other Contract Services		3,100,000			
B. Resources Needed to Capture Additional FFP					
1. RC Operations Costs -Temporary Costs	\$2,159,000	\$720,000 b/	\$720,000	\$719,000	\$1,439,000
a. Workload Implementation Costs					
2. RC Purchase of Service (POS) Costs - Ongoing Costs	1,826,000	\$411,000 c/	411,000	1,004,000	\$1,415,000
a. Provider Resources for Collection of FFP for Contracted Services	12 months				
b. Effective 10/1/06					
3. Total Costs	\$3,985,000	\$1,131,000	\$1,131,000	\$1,723,000	\$2,854,000
C. Net Impact (Item A. + Item B.3.)	\$3,985,000	\$17,437,000			-\$13,452,000

a/ \$16,306,000 HCBS Waiver

b/ \$720,000 HCBS Waiver Administration

c/ \$411,000 HCBS Waiver

Minimum Wage Increases
From \$6.75 to \$7.50 = \$0.75 Increase Effective 1/1/07
From \$7.50 to \$8.00 = \$0.50 Increase Effective 1/1/08
Summary of Total Costs a/

	FY 2006-07 6 months of \$0.75 Increase					FY 2007-08 12 months of \$0.75 Increase 6 months of \$0.50 Increase				
	Total Costs	Total HCBSW Eligible Costs	Fed'l Financial Participation	General Fund Match	General Fund Other	Total Costs	Total HCBSW Eligible Costs	Fed'l Financial Participation	General Fund Match	General Fund Other
Community Care Facilities <ul style="list-style-type: none"> Assume staff in Level 2 and 3 CCFs earn minimum wage. \$0.75 increase + 16.76% for mandated employer costs = \$0.88 per hour increase--applied to estimated Level 2 and 3 staff hours. \$0.50 increase + 16.76% for mandated employer costs = \$0.58 per hour increase--applied to estimated Level 2 and 3 staff hours. 	\$9,736,000	\$7,886,000	\$3,943,000	\$3,943,000	\$1,850,000	\$25,888,000	\$20,970,000	\$10,485,000	\$10,485,000	\$4,918,000
Day and Work Activity Programs <ul style="list-style-type: none"> Assume 75% of new employees are paid at minimum wage and 50% employee turnover. Applied percent wage increase, including 16.76% for mandated employer costs, to estimated portion of annual wage expenditures. Supported Living Services (SLS) <ul style="list-style-type: none"> Assume night hours of 24/7 SLS caregivers are paid at minimum wage. Applied incremental wage increase, including 16.76% for mandated employer costs, to estimated portion of SLS hours paid at minimum wage. 	\$11,834,000	\$6,464,000	\$3,232,000	\$3,232,000	\$5,370,000	\$32,257,000	\$17,614,000	\$8,807,000	\$8,807,000	\$14,643,000
Respite Services <ul style="list-style-type: none"> Includes appropriate wage differential. Applied percent wage increase, including 16.76% for mandated employer costs, to estimated portion of annual wage expenditures by Respite category. Wage rates reflect the 3% provider rate increase. 	\$4,780,000	\$1,670,000	\$835,000	\$835,000	\$3,110,000	\$13,249,000	\$4,618,000	\$2,309,000	\$2,309,000	\$8,631,000
GRAND TOTAL	\$26,350,000	\$16,020,000	\$8,010,000	\$8,010,000	\$10,330,000	\$71,394,000	\$43,202,000	\$21,601,000	\$21,601,000	\$28,192,000

\$18,340,000 Total GF

\$49,793,000 Total GF

a/ Incremental cost for FY 2007-08 = FY 2007-08 cost less FY 2006-07 cost.

Report on the Plan for Closing Agnews Developmental Center



May 2007

**California Health and Human Services Agency
Department of Developmental Services**



“Building Partnerships, Supporting Choices”

Index

	Page
Executive Summary.....	ii to v
Purpose of the Report and Background.....	G-1 to G-2
Progress Report on Resource Development	
The Transition to the Community Process.....	G-3.1 to G-3.3
Resource Development.....	G-3.3 to G-3.25
Business Management Team.....	G-3.25 to G-3.26
Update on Agnews' Consumers	
Current Agnews' Residents.....	G-4.1 to G-4.5
Agnews' Consumers That Have Transitioned Into Community Living Arrangements.....	G-4.6 to G-4.9
Update on Employees	
Current Employee Composition.....	G-5.1 to G-5.4
Separated Employee Composition.....	G-5.5 to G-5.8
Plans for Employees.....	G-5.9 to G-5.11
Major Implementation Steps and Timelines.....	G-6 to G-6.5
Fiscal Update.....	G-7 to G-7.4

For a copy of this update or other information, please refer to
www.dds.ca.gov/AgnewsClosure

Executive Summary

This report provides a comprehensive update on the status of the Plan for Closing Agnews Developmental Center (Agnews Closure Plan). This is the fourth statutorily required update and covers progress from December 1, 2006, through March 31, 2007. The prior reports provided updates on progress from July 1, 2004, through November 30, 2006, and are available at www.dds.ca.gov/AgnewsClosure.

Background

The Lanterman Developmental Disabilities Services Act promotes the provision of services in the least restrictive environment and emphasizes community settings as the preferred living option for most consumers. The maturation and expansion of the community system has significantly increased its capacity to serve persons with complex support needs and reduced the state's reliance on state-operated facilities. The total developmental center population declined from a high of 13,355 individuals in 1968 to the census of 2,848 individuals on March 31, 2007.

Over the years, declining populations resulted in the state closing five facilities. Three facilities (Modesto, DeWitt and Mendocino State Hospitals) were closed in the early 1970s. The Coffelt Settlement Agreement, that was reached in January 1994, supported the creation of new community living arrangements, the development of new assessment and individual service planning procedures and the implementation of quality assurance systems. Its implementation resulted in a reduction of the developmental center population by more than 2,320 persons between 1993 and 1998, resulting in the closure of two additional state facilities, Stockton Developmental Center and Camarillo State Hospital and Developmental Center.

The development of community services as an alternative to institutional care in California mirrors national trends that support the development of integrated services and the reduced reliance on state institutions. There has been a reduction in the national population of large state facilities of almost 70 percent in the last 25 years. Most states, including California, have reduced the population of their state facilities by over half since 1990. On average, ten large state facilities are closed each year across the nation. Seven states no longer operate state institutions. In *Olmstead*, Commissioner, Georgia Department of Human Resources, et al. vs. L. C., by Zimring, Guardian ad Litem and next friend, et al. (1999), 527 U.S. 581, the United States Supreme Court decision stated that services should be provided in community settings when treatment professionals have determined that community placement is appropriate, when the individual does not object to community placement, and when the placement can reasonably be accommodated considering the resources available to the state and the needs of others with disabilities. After the decision, the federal Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), issued recommendations to the states to prepare comprehensive *Olmstead* plans to decrease dependency on institutional services.

The Department of Developmental Services (DDS) sponsored two initiatives that included a wide range of stakeholders to assist it in establishing an agenda for the future. The "Options to Meet the Needs of Consumers in Developmental Centers" study

was completed in June, 2002. It affirmed the state's commitment to expand and strengthen the community service delivery system and to continue to be the "provider of last resort". The report reflected a consensus on the need for improving access to services, developing special needs housing, retaining the expertise of state staff and planning on a regional basis that begins with the individual. The second effort, began in 1998, resulted in the release of the "Draft Service Delivery Reform Report" in May, 2001. It articulated a value base that included individual choice, community inclusion, family unity and assuring access to medical, dental and mental health services. DDS also supported the development of a quality enhancement process based on the principles of quality improvement rather than an inspection model. These efforts were integrated into the DDS' Strategic Plan and became the foundation of the Agnews closure planning process.

The plan to close Agnews Developmental Center (Agnews) was developed over a three-year period, formally submitted to the Legislature in January 2005, and approved as part of the Budget Act for Fiscal Year 2005 – 2006. Enabling legislation to support the implementation of the critical elements of the plan has been enacted. This legislation supported the development of permanent housing through the Bay Area Housing Plan (BAHP), established a pilot of community care licensed homes to serve adults with special health care needs in the Bay Area, and authorized Agnews' employees to work in the community to support the transition of Agnews' residents into community homes. The foundation of the Agnews Closure Plan is the development of sufficient community capacity to support the transition of Agnews' consumers into communities in proximity to their families. New service and support options are being created that provide meaningful choices for each person and that are designed to provide a stable home and service system upon which people can depend. The Administration extended the Agnews closure date from June 30, 2007, to June 30, 2008, to assure that all necessary resources would be in place.

Resource Development

The acquisition and development of housing is a critical element in the implementation of the Agnews Closure Plan. Approximately 80 percent of the current Agnews' residents will move into special needs homes. A total of 62 BAHP homes are planned. As of April 4, 2007, 42 properties have been acquired or are under contract. BAHP funds are being used to purchase Senate Bill (SB) 962 homes, which provide for persons with specialized health care needs. The Family Teaching Home and Specialized Residential Homes will serve persons with behavioral challenges or other specialized needs. With the housing market softening, the acquisition of property is on track, but the construction has been delayed as a result of the complexity of dealing with local zoning and permitting processes. Properties are located in 15 separate jurisdictions with different permitting processes and timelines. Efforts are under way to expedite the permitting process by engaging local officials early in the design phase. Bay Area regional centers have also identified organizations that will be responsible for providing residential and support services required for the implementation of the Agnews Closure Plan. These providers are in the process of developing and implementing a service strategy that includes program design, staff recruitment and development, and review of the needs of consumers whom they may serve. For those living arrangements that require licensure,

providers are also now engaged in the licensing process. The first SB 962 home was licensed on May 1, 2007, and activities are ongoing to support consumer transitions.

Assembly Bill (AB) 1378 authorizes the DDS to utilize existing Agnews' state employees as part of the Agnews Closure Plan. State employees are serving as direct care staff, providing clinical and other support services, and working with regional centers to support Agnews' residents as they transition into the community. Many residential providers have expressed interest in using Agnews' staff to provide services. We anticipate significant growth in the number of state staff who are providing services in the community as the development of special needs housing accelerates.

Extensive progress has been made in the implementation of the approved closure plan regarding health services. Agnews is supporting the transition of consumers to the community and, when appropriate, assuring continuity of care through the outpatient clinic. DDS has established a partnership with the Department of Health, designated county health plans, and regional centers that will assure ongoing access to a comprehensive array of community medical services. Individualized health transition plans are being implemented to assure that needed services are available prior to the movement of each person to a community setting. Finally, each of the Bay Area regional centers is contracting with a dental coordinator who is completing assessments of each person's dental needs, training community staff in oral health strategies, and identifying appropriate community resources.

Agnews' Consumers

As of March 31, 2007, 246 residents remained at Agnews. One hundred fifteen persons have transitioned into the community since the closure planning process began in July 2004. It is projected that a total of 70 consumers will transition from Agnews into the community in Fiscal Year 2006 – 2007. The reduction in projected placements for Fiscal Year 2006-2007 from 113 to 70 is a result of a three-month delay in the development of special needs housing.

Twenty-seven consumers have moved from Agnews in the current year as of March 31, 2007, and over 40 persons are in various stages of the community living options process and are expected to transition into the community over the next few months. All consumers are expected to move from Agnews by the time of its planned closure in June 2008.

Agnews' Employees

As of March 31, 2007, there were 1003 employees at Agnews. Agnews' personnel continue to demonstrate their commitment to service. The attrition rate for this fiscal year is consistent with last fiscal year at 15 percent. Licensed personnel such as registered nurses and psychiatric technicians, comprise a significant majority of the separations. There has also been an increase in the proportion of administrative and support staff who are separating.

Agnews is maintaining sufficient staff to protect the health and safety of remaining residents and to ensure the ongoing certification of the facility. To help assure the

availability of staff in critical classes where retention is an issue and in support of Agnews' current employees, Training and Development opportunities and out-of-class assignments are being offered when possible. The facility continues to balance the need to promote employee stability and provide opportunities for staff to transition to the community-based developmental services system. It is anticipated that the number of employees who accept community-based assignments will significantly increase with the increased availability of special needs housing. Residential providers have expressed a strong interest in providing employment opportunities to Agnews' staff.

Purpose of the Report and Background

Purpose of the Report

This report on the Plan for Closing Agnews Developmental Center (Agnews Closure Plan) is submitted pursuant to the Budget Act of 2006 (Assembly Bill (AB) 1801, Chapter 47, Statutes of 2006). Provisions of the Act include the following:

“The State Department of Developmental Services shall provide the fiscal and policy committees of the Legislature with a comprehensive status update on the Agnews Plan, on January 10, 2007, and May 15, 2007, which will include at a minimum all of the following:

- (a) A description and progress report on all pertinent aspects of the community-based resources development;
- (b) An aggregate update on the consumers living at Agnews and consumers who have been transitioned to other living arrangements;
- (c) An update to the major implementation steps and timelines;
- (d) A comprehensive update to the fiscal analysis as provided in the original plan; and
- (e) An update to the plan regarding Agnews’ employees.”

The report is divided into five sections:

- Progress Report on Resource Development
- Update on Agnews’ Consumers
- Update on Agnews’ Employees
- Major Implementation Steps and Timelines
- Fiscal Update

This report provides a comprehensive update on the status of the Agnews Closure Plan (Plan). This is the fourth statutorily required report and covers progress from December 1, 2006, through March 31, 2007. The prior reports provided updates on progress from July 1, 2004, through November 30, 2006, and are available at www.dds.ca.gov/AgnewsClosure.

Background

The Agnews Closure Plan was developed over a three-year period, formally submitted to the Legislature in January 2005, and approved as part of the Budget Act for Fiscal Year 2005 – 2006. The goal of the Agnews Closure Plan is to enhance the community system to support the transition of all consumers into the community. Consistent with the plan, new service and support options are being created aimed at ensuring each consumer’s health and safety throughout the transition and expanding permanent housing capacity in the Bay Area.

In 2004, the Administration began introducing legislation that served as the policy framework for the Plan. In January 2005, AB 2100 (Chapter 831, Statutes 2004),

modified by Senate Bill (SB) 643 (Chapter 551, Statutes of 2005), was effective, allowing the Bay Area regional centers to secure and assure lease payments for residents of Agnews moving into Bay Area Housing Plan (BAHP) homes and added Family Teaching Homes (FTHs) as a new service delivery option. In January 2006, SB 962 (Chapter 558, Statutes of 2005) established a pilot project for the creation of homes licensed by Community Care Licensing (CCL) of the Department of Social Services (DSS) to serve adults with special health care needs in the Bay Area. Additionally, AB 1378 (Chapter 538, Statutes of 2005) authorized Agnews' employees to work in the community to support the transition of Agnews' residents into community living options.

The Agnews Closure Plan projected a closure date of June 30, 2007. However, the Department of Developmental Services (DDS) evaluated the progress in implementing the plan and determined it was not possible to close Agnews by June 30, 2007, but that a June 30, 2008, closure date was more appropriate. Through a Finance Letter dated March 30, 2006, the Administration extended the closure date to June 30, 2008.

Progress Report on Resource Development

The Transition to the Community Process

The 1992 amendments to the Lanterman Developmental Disabilities Services Act, Welfare & Institutions Code (W&I) sections 4500 et seq. (Lanterman Act), require a person-centered approach for determining consumer services and supports including sensitivity to the consumer's choices, lifestyle, and cultural background. The choices of consumers, in consultation with their families and/or authorized representatives, are given the full attention and respect by all planning team members. W&I section 4646 states in part that it is the intent of the Legislature to ensure that the provision of services and supports is centered on the consumer and takes into account needs and preferences as well as promoting community integration to lead independent, productive lives in stable and healthy environments. If there is a question regarding adequate representation of the consumer's interests, a referral to the area board can be made for their consideration of the appointment of an authorized representative pursuant to W&I section 4548 (d).

Agnews, the Bay Area regional centers, the Regional Project of the Bay Area (RPBA), and the DDS remain committed to assuring that each consumer transitioning to a community living option has the appropriate services and supports. The selection of a future living option takes into account each consumer's needs and preferences identified through comprehensive interdisciplinary team (IDT) assessments and input from the consumer and others who are important in the person's life. The participation of the consumer, his/her authorized representative, and/or family in the exploration and selection of, and transition into, a community living option is encouraged and supported to the maximum extent possible. The planning process provides an opportunity for the consumer, his or her family, and the planning team to express questions or concerns so that any issues can be addressed prior to the consumer moving. Preferences for continued friendships and relationships are also noted to enable further consideration and coordination on the part of those individuals identified.

To make an informed decision, the consumer has opportunities to meet potential housemates and service providers and experience the environment of the living option under consideration. Additionally, the ability of the consumer to be supported in the living option is evaluated. To that end, visits are scheduled to the prospective living option which include the consumer and authorized representative and, to the extent that individuals are interested, able, and available, the family and key planning team members. Once it is determined that the identified community living option appears able to serve the consumer well, a transition planning meeting is scheduled to review the consumer's service and support needs to assure he or she can be accommodated in the proposed community living option and, if so, to develop a comprehensive written transition plan identifying how all required services will be provided.

The transition planning process for consumers with significant healthcare needs includes a focus on the integration of necessary medical and health-related supports into the development of the individual's health care plan to ensure continuity of medical services for these individuals. To capture information from physicians serving

individuals moving into homes established by SB 962, the Physician Health Transition Summary has been designed. It provides a summary of the individual's health and medical conditions, and enumerates for the individual's primary care physician any medical/health service and support needs that are critical for the continuity of care for that individual.

The transition planning process for consumers with challenging behaviors includes an assessment of their behavior-related needs and identification of intervention strategies and supports. Agnews and San Andreas Regional Center (SARC) have developed a Community Intervention Response and Training (CIRT) Team to work in concert with Agnews' staff to support consumers with challenging behavior with their transition into community settings. The CIRT Team consists of four psychiatric technicians who have completed specialized training in developing and implementing behavioral interventions. Attached to the team is a psychologist who serves as a clinical supervisor and consultant. Services provided by the CIRT Team include training community staff to assure that they are aware of and can implement the strategies that have supported each consumer prior to placement and being available for consultation regarding any emerging issues.

To assure greater consistency by Agnews' personnel in the planning and transition processes, written guidelines have been prepared by the DDS to share with key stakeholders for finalization. The guidelines include sections on appeal processes and confidentiality for consumers, their family, and other planning team members. Identified supervisory staff at Agnews have been trained as IDT coaches to support all members of the IDT in participating in the development of an individual placement plan (IPP) that aids in the planning and transitioning of each individual to his/her new home.

Agnews and regional centers continue to collaborate on activities focused on team and partnership building. There are monthly meetings for Agnews' social workers and regional center service coordinators to meet and resolve issues. Also, there are monthly meetings held with Unified Plan Coordinators from each regional center and key Agnews and RPBA staff to address and resolve any barriers identified by these parties. Agnews and regional centers continue to work collaboratively with families through a variety of planning activities. Agnews' personnel attend and support regional centers and families at family meetings held to provide families with information on housing development and the Quality Management System (QMS). These meetings provide opportunities for families to meet potential service providers, to become better acquainted with their regional center service coordinator, and provide opportunities to network with and develop a support system with other family members and relatives.

To enhance a smooth and effective transition process, additional training of planning team members will continue to occur throughout the coming year. Training that has occurred to date includes a session held in April 2007, with volunteer advocates currently serving Agnews' consumers as well as representatives from both Area Boards V and VII.

Consumer Choices

The DDS, in collaboration with Agnews' residents, Agnews' personnel, and the Bay Area regional centers, has adapted materials developed by the DDS Consumer Advisory Committee, the "Making My Own Choices" booklet and the "Picture Sticker Book," and produced a ten-minute DVD that depicts four types of living options and samples of community activities. The materials were adapted specifically to support Agnews' residents active participation in the IPP process and transition discussions.

The "Making My Own Choices" material focuses on two areas. The first component "Home", focuses on decisions such as how people want to live, what they want in their home, and maintaining friends and important relationships. The second component "Things I Like to Do", focuses on community activities and how the person wants to spend his or her day.

The Agnews' Choices Team, composed of the DDS Coordinator of Consumer Services and a retired annuitant from Sonoma Developmental Center, started meetings in August 2006, with a goal of interviewing 286 residents. The interviews are scheduled one month prior to the resident's annual IPP meeting so all IPP team members have ample time to receive the information. The Choices Team is currently six months into the project and has interviewed 110 residents. The estimated completion date for the project is September 2007.

The interviews consist of two meetings with each resident of Agnews. The purpose of the first meeting is for the Choices Team to review the resident's last IPP and meet and greet them before the actual interview the following day. The second meeting is normally with the resident, the Choices team, and a staff member from Agnews that knows the person well. In some instances, other people attend the meeting such as parents, family members, volunteer advocates and foster grandparents. This interview is designed to give the resident an opportunity to discuss his or her individualized choices for living options, using the adapted "Making My Own Choices" booklet and DVD. The Choices Team encourages family members to attend these interviews.

Resource Development

Bay Area Housing Plan

AB 2100 was legislation enacted in 2005 – 2006 authorizing the DDS to approve a proposal, or proposals, from the Bay Area regional centers to provide for, secure, and assure the payment of leases for housing for people with developmental disabilities. SB 643 further amended AB 2100 to clarify the regional centers' ability to assure full payment of a housing lease based upon availability of the house for occupancy.

On September 22, 2005, the Department of Finance submitted the BAHF and the expenditure plan to the Joint Legislative Budget Committee (JLBC) for review. The expenditure plan proposed using the \$11.115 million appropriated in the Budget Act of 2004 (SB 1113, Chapter 208, Statutes of 2004) and re-appropriated in the Budget Act of 2005 (4300-491) for the pre-development costs associated with acquisition and development of housing to implement the BAHF. The Budget Act of 2006 authorized the

re-appropriation of the \$11.115 million in funds until June 30, 2010, to liquidate any encumbrances associated with the BAHP Expenditure Plan. On November 8, 2005, the JLBC reviewed and concurred with the BAHP, provided that the DDS submits monthly project status reports to the Legislature. Subsequent to the first property acquisition in June 2006, the DDS began submitting the BAHP progress reports to the Legislature.

On September 8, 2005, the initial \$20 million in bond financing was approved. On January 12, 2006, the California Housing Finance Agency (CalHFA) Board of Directors approved an additional request for \$25 million in bond financing for the BAHP. Then, on November 9, 2006, CalHFA Board approved an additional \$25 million in bond financing. The DDS anticipates additional bond financing will be approved by CalHFA at the May 2007, Board meeting. The BAHP housing funds are used to acquire properties and either renovate or construct SB 962 homes, the FTHs, and the SRHs. The housing developer, the Bay Area regional centers, and the Bay Area non-profit housing development organizations (NPOs) have secured the necessary agreements for bond financing with the CalHFA and construction financing with the Bank of America.

Since January 2006, the housing developer has coordinated with the Bay Area regional centers, the NPOs, and BAHP service providers to clarify the roles and responsibilities of the parties, understand licensing requirements, explain the BAHP documents, and streamline the acquisition and development process. Based on consumer-centered planning underway at Agnews, housing rollout schedules have been coordinated among the parties. The rollout schedules provide projections of housing acquisition, construction and development based on individual program planning, and is adjusted as necessary to reflect real-time influences and changes in circumstances. The NPOs started identifying properties for purchase in March, 2006. In early April 2006, the housing developer trained regional center staff and the NPOs on the housing acquisition and approval process.

The competitive California housing market requires significant commitment by all parties to successfully negotiate contracts that meet the needs of the BAHP. The developer began acquiring property in April 2006, prior to the real estate market decline. Finding single-story four or five-bedroom homes affordable to purchase in the Bay Area presented a challenge. With the market softening, the acquisition of property is on track, but the construction has been delayed as a result of the complexity of dealing with local zoning and permitting processes. Acquisitions are located in 15 separate jurisdictions with different permitting processes and timelines. Efforts are under way to expedite the permitting process by engaging local officials early in the design phase. As of April 4, 2007, 42 properties have been acquired or are under contract.

Bay Area Housing Plan

The following is a description of the BAHP property acquisition, design, and construction process.

Acquisition Phase

Site Identification

In January, 2006, each Bay Area regional center began forecasting the number of homes, by housing type, needed to support consumer placement within their

respective catchment areas. The NPOs collaborated with the housing developer to identify properties based on predetermined BAHF site selection criteria. The criteria ensure that homes are located in safe, high-quality neighborhoods, near public transportation, community amenities, emergency medical services and recreational activities. Research conducted during the site identification process determines the concentration, if any, of licensed facilities in the area.

Expedited Initial Proposal

Once a home has been identified, the housing developer, service provider, NPO and the regional center representative conduct a site visit and determine if the home should be placed under contract. If the determination meets team agreement, a formal request is made to the BAHF Steering Committee to approve placement of the home under contract. If approved, a refundable deposit is wired into escrow, the home is placed under contract for a period of 60 days, and the 25 – 30 day contingency period begins.

Formal Initial Proposal

During the contingency period, the NPOs coordinate due diligence inspections of the property to verify any existing structural, mechanical or environmental concerns. Further, the NPO works directly with Community Care Licensing (CCL) to ensure that there is no overconcentration of licensed facilities in the area.

Due Diligence Period

The housing developer, in conjunction with the service provider, the regional center and the NPO generate a scope of work for each property to ensure the property can achieve a set of design principles and guidelines unique to the particular population moving into each housing type. Once generated, the housing developer engages an architect to visit the site and create a proposed space plan that captures the scope of work. Subsequently, the housing developer analyzes the inspection reports, the space plan, the property-specific Room Design Criteria checklist, and estimated budget for the improvements. During the contingency period, a construction inspector representing the lenders visits the property and approves the proposed scope of work or recommends changes to the scope of work. If any property is an existing structure, termite reports, roof inspections, lead and asbestos testing, and building structural inspections are performed. Code compliance analysis is performed. Preliminary title report, Covenants, Conditions, and Restrictions (CCRs), and zoning restrictions are reviewed for consistency with intended use of the property. Additionally, some properties require an Environmental Impact Report to determine the impact to the environment from the project.

Final Proposal

Prior to the end of the contingency period and before the deposit becomes non-refundable, the housing developer presents a final proposal to the BAHF Steering Committee for review. The final proposal includes a scope of work, budget, site photos, space plan, independent appraisal ordered by the lender and all due diligence reports. Upon approval from the BAHF Steering Committee, the housing developer releases the contingency on the property and closes escrow on the property.

Acquisition Construction Loan Closing

The acquisition/construction loan closing process for each property involves the coordination by the housing developer of the NPO, the service provider, the regional centers, the title company, and two lenders to execute loan documents. Loan documents include a Deed of Trust, Promissory Note, Conveyance Agreements, standard Long-term Residency Lease Agreement, Lease Assurance Agreement, Regional Center Estoppel, Memorandum of Lease and Environmental Indemnity.

Design Phase

Permit Submission

The design phase is initially triggered for each property when the home has successfully closed escrow. Upon close of escrow, keys to the property and “bridge documents” including the required scope of work via the Room Design Criteria Checklist, and applicable due diligence reports are delivered to the architect for use in development of as-built base drawings, architect space plans, and eventually construction drawings of the proposed floor plan. The drawings include a narrative description of the floor plan of the home, (i.e. room dimensions, location of heating and air conditioning). This information is used to facilitate discussions with stakeholders to ensure consistency between the Room Design Criteria Checklist and the Scope of Work. The regional center, the service provider, and the NPO review the architect-drawn space plan and provide comments or request changes to be incorporated by the housing developer and the assigned architect.

At close of escrow, a finalized scope of work is prepared by the housing developer and provided to the architect assigned to the home which includes any additional scope of work required by the permanent finance lender. The architect uses the final scope of work to develop construction drawings for the proposed floor plan. The regional center, the service provider, and the NPO review the proposed floor plan and comment on details including location of outlets, storage requirements, and finish selections for the home. The architect incorporates final comments, develops the drawings for the final floor plan, and the housing developer submits applications to the local jurisdiction for all necessary permits (e.g., building permit, sprinkler permit and generator permit).

For the first BAHF properties acquired for improvement, it took approximately 75 days from receipt of the drawings of the existing floor plan to the development of the final floor plan. This was due to the education process of the architects regarding the BAHF program, and lender requirements, as well as the various code requirements for each home type. This advance investment in education has resulted in the architects producing drawings of the final floor plan in as little as 40 days post close of escrow.

Permit Approval

To date, the properties acquired are located in 15 jurisdictions including Livermore, Union City, Castro Valley, Hayward, Alameda, Campbell, San Mateo, San Bruno, Cupertino, San Jose, Los Gatos, Morgan Hill, South San Francisco, Newark, and Pleasant Hill. Each locale has its own permit process. The housing developer and the 11 architects working on the BAHF project have invested a significant amount of

time with each local jurisdiction to determine their specific requirements, the anticipated turnaround time to receive permit approval, and to educate them on the details of the BAHP.

During the initial research into permitting turnaround, several jurisdictions including San Jose offered over-the-counter permitting. However, the unique additions to each of the homes, such as generators, sprinklers, accessibility ramping and Americans with Disabilities Act bathroom remodels have triggered extensive questions by both building plan reviewers and fire marshals. Many of the municipalities have required numerous code clarifications related to the type of licensed facility that is being proposed. Unfamiliarity with AB 2100 and SB 962 legislation has contributed to the questions generated from each municipality. Additionally, Specialized Residential Homes (SRHs) and SB 962 homes require a sprinkler permit to accompany the building permit. This has created delays due to varying fire marshal interpretations of the appropriate Residential Occupancy classification for both types of homes. Finally, depending on the jurisdiction, the SB 962 homes require a separate generator permit. Each municipality has placed special restrictions on the decibel rating, location and size of the generator for permitting approval. All permits that have been submitted to date have gone through a full review by each municipality. In the case of the early properties, this turnaround for permits took up to 100 days in some jurisdictions, largely due to the need for educating the local jurisdictions as described above. This education is starting to prove itself as turnaround time in permitting is starting to trend down. As of April 4, 2007, the developer has received building permits for ten properties, and 13 additional properties have been submitted for permitting and are in various stages of review. A continued investment in education with the local jurisdictions is anticipated to reduce the permit turnaround time for future BAHP homes.

General Contractor Approval

The housing developer is currently working with multiple residential general contractors with the strategy of awarding small batches of homes to multiple contractors. This strategy ensures that each general contractor has the capacity to meet the timelines of the project. Using multiple general contractors also minimizes risks associated with performance across the project and helps to provide an incentive to perform in order to be awarded additional projects in the BAHP.

Every general contractor is pre-qualified by the housing developer prior to the general contractors visiting the BAHP property to evaluate for bidding. Once all bids are received from potential general contractors for a particular property, and prior to the housing developer awarding a contract, the housing developer must submit all of the pre-qualification materials to the acquisition and construction lender for approval. The approval of the general contractor is critical for the housing developer to prepare all the construction-related documents for each property including budgets that the BAHP lender and the steering committee must approve prior to commencing construction. This Lender Approval Package includes the submittal of all approved project permits, finalized architectural drawings, the general contractor contract, the architect contract, all required sub-consultant contracts, a Consolidated Scope of Work, all Due Diligence reports, the approved Room Design Criteria Checklist, the finalized construction budget and any documents supporting lender requirements.

As the housing developer refines the Request for Proposal process with all future general contractors, the lender review and approval of the general contractors will be streamlined. A template for the general contractor contract, the Schedule of Values, the general contractor Construction Schedule and all proof of capability documents have been approved by the lenders to ensure a more streamlined approval.

Construction Phase

Lender Approval Package

The Lender Approval Package (Pre-Hard Cost Package) requires approval by both lenders and the Steering Committee prior to starting construction on a home. The housing developer has submitted and received approval for three lender packages, with six additional packages submitted the end of March.

In summary, the BAHP is a complex project with significant details to manage. Process development, with continued modifications as circumstances dictate for each project phase is critical to management of the BAHP. At each step, the BAHP participants have worked collaboratively to increase acquisition and development efficiencies. The housing developer anticipates this pattern will continue through completion of the project.

Schedule Update

A total of 62 BAHP homes are planned for development. In the January 2007 report, the DDS projected that 20 homes would receive certificates of occupancy by mid-May 2007. Because of the complex nature of the BAHP and the permitting process taking longer than expected, several of the homes anticipated to be certified for occupancy in FY 06/07 will be delayed until the beginning of FY 07/08.

The following chart shows the number of BAHP homes that are expected to be licensed or certified by housing type.

Agnews Closure BAHP Homes Developed	
Home Type	
	Number of BAHP Homes April 4, 2007
SRH-3 bed	25
SRH-4 bed	5
962- 4 bed	3
962- 5 bed	20
FTH	9
Total BAHP Homes	62

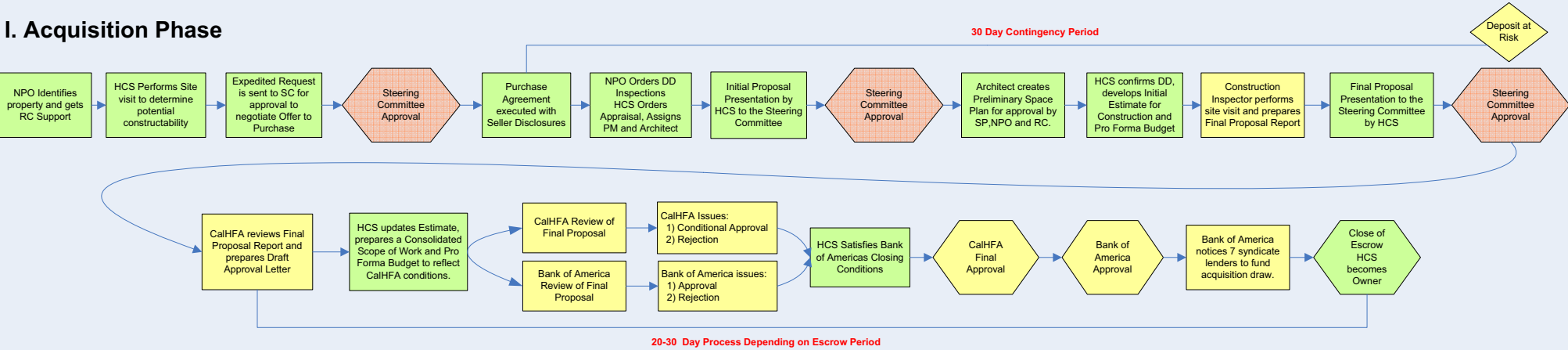
The following page is a detailed flow chart that summarizes the BAHP including the Acquisition, Design, and Construction Phases.

Acronyms Used in the Bay Area Housing Plan Chart

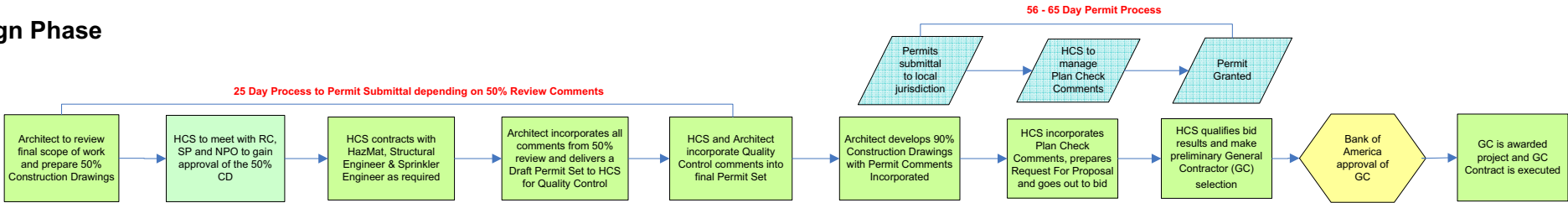
B of A	Bank of America
CalHFA	California Housing Finance Agency
CD	construction drawings
DD	due diligence
GC	general contractor
HCS	Hallmark Community Services
NPO	non-profit housing development organization
PHC	pre-hard costs (lender approval package)
PM	project manager
RC	regional center
SC	steering committee
SP	service provider

Bay Area Housing Plan

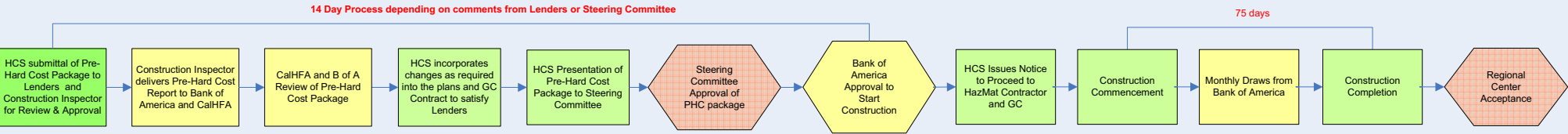
I. Acquisition Phase



II. Design Phase



III. Construction Phase



Provider Selection and Licensing Process

The BAHP regional centers have identified service providers that will be responsible for the provision of residential and support services required for the implementation of the Agnews Closure Plan. These providers are in the process of developing and implementing service delivery systems and a service strategy that includes program design, staff recruitment and development, and review of the needs of consumers they serve. For those living arrangements requiring licensure, providers are also now engaged or preparing for the licensing process.

With the BAHP, a number of public and private organizations with licensing, certification, or other oversight responsibilities have been collaborating for several years to make the process successful and as efficient as possible. Each organization has a specific and important protective role which must not be compromised and yet must be exercised as seamlessly as possible to prevent delays. A key to making this all work has been ongoing meetings where significant issues are discussed and resolved and where each entity understands and observes the milestones that have been established by joint agreement. Working together, the DDS and DSS and the participating regional centers have established a very close working relationship.

Service Provider Orientation

The majority of service providers are known long before the specific site has been identified. Attendance at the CCL orientation session is a prerequisite to filing an application with CCL for any of the BAHP homes that will require a license.

Attendance at the orientation allows the individual service provider, who will ultimately be the licensee, to obtain an application package for starting the licensing process. The orientation provides an overview of the responsibilities of a licensee and the steps involved in the licensing process. This process has been completed for the majority of service providers involved in the BAHP who will pursue a license from the DSS - CCL.

“Overconcentration” Safeguards for Purchased Properties

At the time any site is considered for purchase, a check must be made of the neighborhood area to determine if there are any other CCL licensed facilities nearby that would put the specific home under consideration in violation of the overconcentration prohibitions contained in section 1520.5 of the Health and Safety (H&S) Code. A license cannot be issued if another residential community care facility is within 300 feet unless the local planning authority specifically approves the use.

Within 48 hours of the notification of a potential site, the CCL district office will check their database for all nearby licensed facilities. If any are identified within 2,000 feet of the potential site, the neighborhood will be toured by BAHP representatives and specific measurements made.

Within two weeks of notification of a potential site and before submission of a final proposal for any property, the CCL contact will also have conducted a search of all pending applications for all community care facilities in the neighborhood. This search is done to determine if a situation exists where a license could be issued to an applicant

for a property within 300 feet of the proposed BAHP home, before the BAHP home licensing process is completed. If that were to happen, the BAHP home may be ineligible for a license.

Due to the length of time between purchase of a home and the issuance of a license to a service provider leasing the home, it is necessary for the licensing agency to continually monitor applications to ensure there is no potential overconcentration violation.

The Licensing Application Process

The licensing process cannot be started until a service provider has been identified by the regional center and the type of home they will be operating is known. The home does not need to have been purchased or rehabilitated at this time, but the application requires an address so the proposed home location will have to be known. Once the proposed location and type of home are identified, and the service provider has attended the orientation described above, the CCL local office will accept an application identifying just these elements. This is not a completed application, but acts as a placeholder for the overconcentration tracking process described above.

Identification of Administrator

To complete the licensing application, the licensee must identify a qualified administrator prior to attending component 2 of the application process. Component 2 is a face-to-face meeting between the CCL analyst and the home administrator. A qualified administrator is one who meets certain experiential and educational criteria, and who has obtained an Administrator Certification from CCL after having attended a certain number of classroom hours of training.

By the time component 2 occurs, an administrator will need to be hired by the service provider (licensing applicant). The administrator will need to have worked with the licensee on the development of the plan of operation which encompasses the majority of the license application document and which the administrator discusses with the licensing agency at the component 2 meeting.

Certification Documents

For all SB 962 homes, a condition of issuance of the license by CCL is certification by the DDS. It is necessary for the facility program plan submitted to the licensing agency and the facility program plan document submitted to the DDS to be consistent. The licensing process could be delayed if they are not, or if changes are required by the DDS that require modification to the plan of operation already submitted to the licensing agency. For this reason, the two departments have agreed to work together on each document and immediately share them with one another.

Notification to Local Planning and Fire Jurisdictions

The licensing process calls for a 45-day advance notice to the local planning authorities, at which time they are informed about the application and a determination is made as to whether or not the proposed licensed facility is within 300 feet of another community

care facility. Before a license can be issued, the applicant must obtain an approved fire clearance for the type of facility required for the consumers to be served.

Both the notifications to local planning and the requests for a fire inspection must be initiated by the local CCL office. Timing is very important in these notifications and requires continuous coordination between the licensing office, the builder, the regional center and the service provider. Late notice to the fire jurisdiction will delay the issuance of the license. Early notice will mean the home is not ready for inspection.

Completion of the Licensing Process

Once component 2 is completed, the next step in the licensing process is the site visit. This visit must await the completion of any structural changes to the home and the establishment of files and records that will be needed when consumers move in.

For purposes of the BAHP process, the licensing agency and service providers are joined at the site inspection by the regional center representative and representatives of the DDS who are responsible for the program certification. Once the licensing representative has conducted the “walk through”, any remaining questions can be shared with all parties and final adjustments can be made to both the licensing application and the program certification documents.

Component 3 of the application process may also be conducted at the site visit to accelerate the process. Component 3 is a review with the applicant of all ongoing responsibilities.

Control of Property

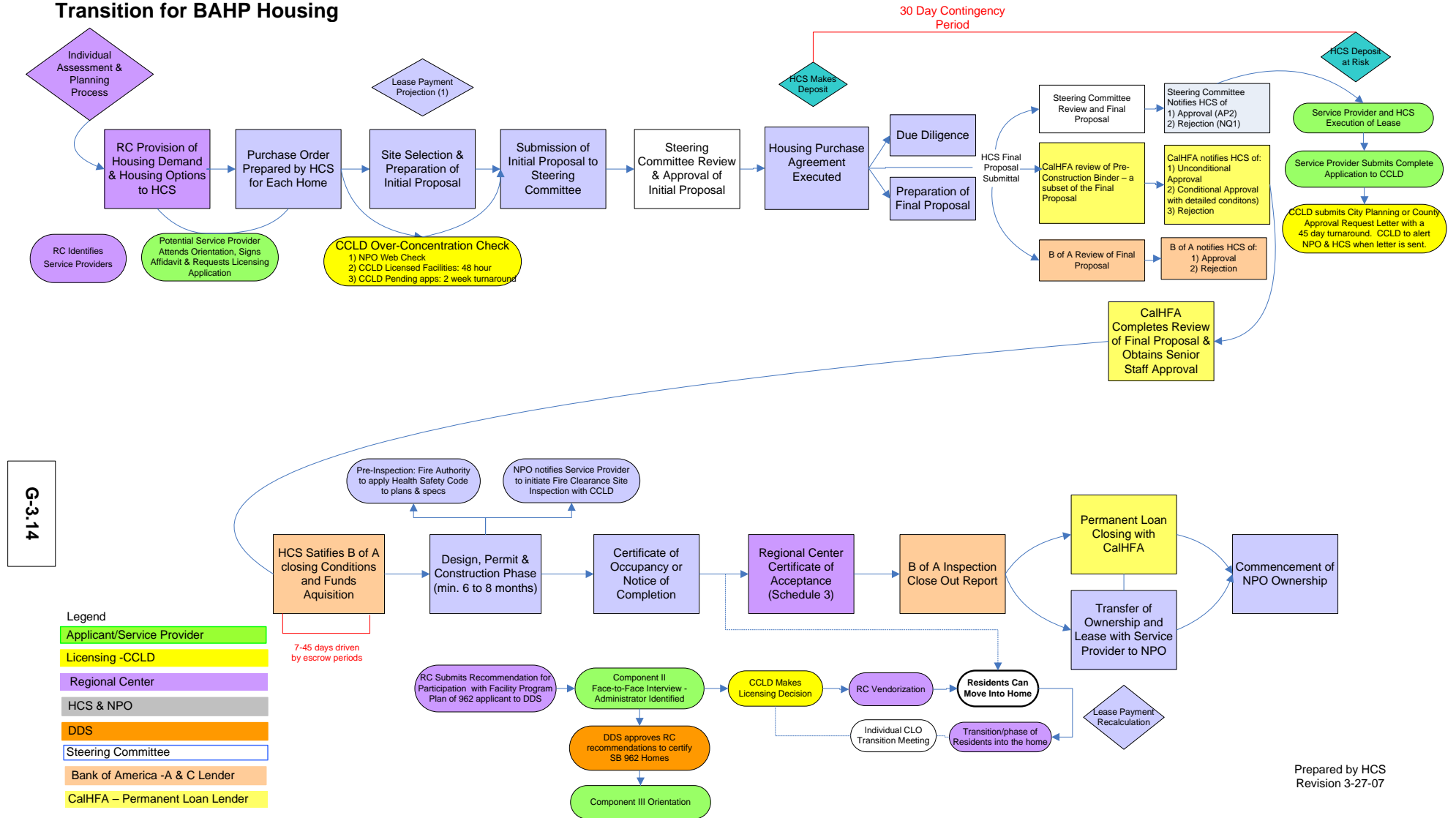
Licensing regulations require that the person or entity licensed demonstrate legal control of the property where the care is provided. This is usually demonstrated by a title deed or lease agreement. Due to the complexities of the BAHP housing acquisition process and the timing of various leases, effective and timely communication is important to ensure that the prospective licensee does indeed have control of the property. This requires coordination between the master builder, the regional center, the service provider, and the licensing agency.

The chart on the following page summarizes the provider licensing process and consumer transition process in the context of the BAHP.

Acronyms Used in the Licensing and Consumer Transition for BAHP Housing Chart

B of A	Bank of America
CalHFA	California Housing Finance Agency
CCLD	Community Care Licensing Division
CLO	community living options
DDS	Department of Developmental Services
HCS	Hallmark Community Services
NPO	non-profit housing development organization
RC	regional center

Licensing and Consumer Transition for BAHF Housing



Family Teaching Home and Extended Family Teaching Home Models

FTHs were added to the Adult Family Home Agency (AFHA) model as part of AB 2100. The FTH model differs from the AFHA in two ways. First, a FTH can serve up to three individuals in a home rather than two. Second, individuals living in a FTH do not share the same home as the family. The teaching family lives in an adjoining home, and typically the home is a duplex. To accommodate the FTH model, the DDS developed FTH regulations that were promulgated on November 7, 2006.

Originally, 18 FTHs were planned for a total of 54 consumers. However, to address the changing needs of consumers, the total number of planned family teaching homes has been reduced to 9. The first four family teaching homes were developed in Cupertino in the SARC area. To date, seven individuals moved from Agnews to these FTH duplexes. There are currently plans to move an additional five Agnews' residents to these same homes before June 30, 2007.

In addition to implementing the FTH, SARC has also implemented the Extended Family Teaching Home (EFTH) model. An EFTH is a service model where the home is owned, leased, or rented by the family. Each EFTH will serve no more than one adult with developmental disabilities in their home where they will receive specialized, highly-supported and well-monitored services. California Community Options, the FTH model service provider, has been actively recruiting individuals, including Agnews' staff to be teachers and providers for the EFTH. These individuals are hired after a stringent screening process. The recruitment is time intensive and involves multiple agencies as well as consumers and their families.

Agnews has had multiple staff orientations to provide information to prospective EFTH families from among Agnews' staff, and more orientations are scheduled. There are many Agnews' staff who have established long-term personal relationships with consumers currently living at Agnews and who are interested in providing ongoing supports in their own homes to these same consumers. The orientation covers a brief synopsis of the program and the attendees of the orientation are given an interest survey. The interest survey requests contact information, inquires why they are interested in the program, if they plan on working an additional job while being an EFTH provider, whether they will be moving or if they will be providing services in their current home, and if they would like to meet with a representative from California Community Options to personally discuss the program. Once potential home providers are identified, they must go through a screening process that includes a general physical, drug screening, tuberculosis testing, and fingerprinting. At present, there are four consumers living in EFTH in the SARC area. One consumer is projected to move into an EFTH in April 2007, and an additional consumer in July 2007. Three consumers are being considered for EFTH placement in Fiscal Year 2007 – 2008.

Specialized Residential Homes

To address the needs of Agnews' residents with behavioral challenges or other specialized needs, the SRHs that serve three or four persons are being developed. The homes are DSS-licensed adult residential facilities that provide augmented staffing and professional services to address the unique needs of the consumer. Consumers living in

the SRHs have unique needs related, but not limited, to the need for a structured environment and consistent positive reinforcement. The SRHs provide 24-hour on-site staff with specialized expertise to meet the unique needs of the individuals they serve. In addition, these homes have the capability for on-site response to meet scheduled or unpredictable needs in a way that promotes maximum dignity and independence. These homes provide supervision and direct care support to ensure the health, safety, and well being of consumers with challenging needs.

To address statutory requirements when a majority of consumers in any one SRH turns age 60, the adult SRH will need to be re-licensed as a residential care facility for the elderly (RCFE). To accommodate this transition, all BAHP SRHs will be constructed, or renovated, to meet the physical plant requirements for both the Adult Residential Facility license and the RCFE license.

SB 962 Homes

SB 962 statute authorizes the DSS and the DDS to jointly establish and administer this pilot project for licensing and regulating Adult Residential Facilities for Persons with Special Health Care Needs (ARFPSHN) referred to as SB 962 Homes. DDS reported in January 2007 that nine SB 962 homes would be developed for 30 persons during FY 2006 – 2007. Because of the complex nature of the BAHP and the permitting process taking longer than expected (especially sprinkler and generator permits), several of the homes anticipated to be certified for occupancy in FY 06/07 will be delayed until the beginning of FY 07/08.

The first SB 962 home, “St. Francis Home”, has been certified and was licensed on May 1, 2007. The St. Francis Home will serve four consumers from Agnews in the Golden Gate Regional Center (GGRC) catchment area. Staff from Agnews, the RPBA, CCL, the GGRC, Hallmark Community Services, the DDS, and consumers and their families have worked in close collaboration toward the opening and admission of consumers to the St. Francis Home. In the current fiscal year, a second SB 962 home is being developed in the SARC area and will serve five consumers.

To ensure a safe and seamless transition for all consumers transferring from Agnews into the St. Francis Home and all other SB 962 homes, regional center nurses met with RPBA staff and the DDS in February and March, to agree upon the consumer transition process specific to the SB 962 Homes. The Bay Area regional center registered nurses group has been meeting regularly and has developed a standardized tool for their use in documenting consumer progress as evidenced through their SB 962 home visits. These efforts have resulted in the Nurse Record tool for use by the nurses during their monitoring visits to the SB 962 Homes. The Nurse Record tool incorporates the DDS SB 962 Certification Review Protocol elements to ensure compliance with both statutory and regulatory requirements. Two trainings are scheduled in May 2007, to train service providers, Agnews, and regional center staff on the SB 962 transition process.

An interagency agreement has been completed with the University of California (UC), Davis to provide an independent evaluation of the SB 962 pilot project. The UC Davis team includes a physician and registered nurse, and has commenced its evaluation activities.

Neighborhood Relations

The DDS realizes neighbors are interested in the building and rehabilitation activities occurring in their neighborhood and who their new neighbors will be. The level of interest can vary greatly from neighborhood to neighborhood. Over 200,000 persons with developmental disabilities live in community neighborhoods and 52,558 reside in community care, health facilities, or independent or supported living arrangements. In these community homes, service providers are the point of contact for neighbors and arrange for the maintenance and upkeep of the home and property and facilitate community integration for consumers living in the home.

The BAHF funds are being used to purchase SB 962 homes, FTHs, and SRHs. The SB 962 homes and SRH BAHF living arrangements are licensed by DSS, and are exempted by statute from local zoning controls. California H&S Code section 1566.3 requires local entities to treat homes serving six or fewer individuals in the same manner as all other single family dwellings in the same neighborhood. The homes must abide by all applicable CCRs that pertain to other single family dwellings in the neighborhood, including any procurement of building permits, and other locally required permissions that apply to similar homes.

As is the case with other community homes, BAHF service providers will be the point of contact for neighbors and will facilitate community integration for consumers living in the home. Acceptance of persons with developmental disabilities by neighbors and community members is key to inclusion in the community. Toward this end, service providers are encouraged to involve consumers and family members in their outreach to community organizations and neighbors to facilitate inclusion. The DDS and the regional centers have been proactively meeting with state and local officials and keeping them informed of the status of the closure Plan. In situations where an additional state or local response is needed, a team has been established in each of the three regional center catchment areas to provide general information to neighborhood representatives regarding the BAHF and the roles played by the public and non-profit entities involved in the closure. Each team includes representation from the involved regional center, the housing developer, CCL, and the involved NPO that will eventually hold title to the property. The team is available to meet with neighborhood representatives to describe the role of their organization, and the closure Plan.

Local Government Relations

Property rehabilitation work is subject to local building permit and fire clearance processes. In some of the BAHF property purchase areas, local officials are unfamiliar with the Community Care Facilities Act and the distinctions between Community Care Facilities and Health Facilities. This can lead to delays and inaccuracies in local decision-making with respect to construction permits and approvals.

When permitting delays are identified as the result of local government uncertainty about the laws governing the licensing and locating of any BAHF homes, individual contacts have been necessary. It is critical to immediately address any local delays with understandable, factual information.

Proactively, to help prevent delays and misunderstandings, a circular has been developed to provide local building departments with an overview of the BAHP, including several statutory references and definitions regarding the types of housing arrangements that are being developed. It is expected that the overall permit process will become more efficient with the use of this circular and as local areas gain more experience with these new types of programs.

Health Services

Ensuring quality, timely, and accessible health care is foundational to the transition plan for Agnews' residents. There are three significant components to this effort:

1. Assuring that the health needs of each Agnews' resident are assessed and a comprehensive individualized health plan is developed;
2. Providing medical services to support the transition of Agnews' residents to community settings; and
3. Developing and implementing a service strategy that assures access to a comprehensive array of health services after the closure of Agnews.

Agnews, the Bay Area regional centers, and DDS personnel have developed a comprehensive nursing and risk assessment tool that is completed for each Agnews' resident. The nursing and risk assessment tool is comprised of over 60 health-related items including risk conditions, special health care needs and dietary needs. This assessment is included in the Health Transition Plan which states specifically how each health need will be met following transition and the provider of each service.

Agnews is playing a role in the provision of medical services to support the transition of its residents to the community. Medical and professional services will be provided by Agnews to consumers placed in the Bay Area whenever the planning team determines that the service is required to support the transition of its residents to the community. Services may be provided onsite at the Agnews outpatient clinic as identified in the consumer's Health Transition Plan, or may be provided in the person's home, when determined appropriate. Agnews is directly supporting consumer health and dental needs through the outpatient clinic, to provide continuity of services and supplemental support to services that are available in the community. The outpatient clinic was established last year to assist consumers during transition into the community. Agnews will provide primary medical care in the person's home, as appropriate, and assure access to primary medical services at all times. The DDS is committed to continuing the provision of primary medical care and dental services through the clinic beyond the closure of Agnews as long as it is necessary. Additionally, under the authority of AB 1378 regional centers and service providers may contract for use of Agnews' employees in the community to provide clinical and other direct support services to the residents moving from Agnews.

The DDS has developed a long-term strategy to assure the continued availability of medical services after the closure of Agnews. It is working in partnership with the

Department of Health Services, regional centers, and local health plans with a shared goal of enhancing the community health system and promoting continuity of care. The Santa Clara Family Health Plan in the SARC area and the San Mateo Health Plan in the GGRC area have completed the preparation of Medicare Special Needs Plans (SNPs) for federal review that will accommodate Agnews' consumers. The Alameda Alliance for Health in the Regional Center of the East Bay (RCEB) area has submitted its SNP for approval with a January 2008 implementation date. SNPs are specially designed for people with specialized health needs and must provide all Medicare Part A and Part B health care and services as well as Medicare prescription drug coverage, Part D. The plan is to expand this partnership to community medical systems in the near future.

Additionally, the Administration sponsored SB 962 to establish homes referred to as adult residential homes for persons with specialized health care needs. This type of residence is necessary to fill a critical gap in licensure categories for Agnews' residents who have a combination of specialized health care and intensive support needs. This new type of licensed residential care facility will provide for community-based services in the Bay Area for up to 120 current Agnews' residents. The SB 962 requirements include licensed nursing staff on duty 24 hours per day, seven days per week, a visit by a physician no less than once every 60 days, development of an Individual Health Care Plan for each consumer that is updated at least every six months, and at least monthly face-to-face visits with the consumer by a regional center nurse.

Oral Health

Good dental hygiene promotes dental as well as physical wellness. The planning for future oral health needs of each consumer includes gathering data from existing Agnews' records and an oral health screening examination conducted by the Agnews staff dentist. These oral health assessments are used to develop individualized and specific recommendations for each consumer's future dental needs which are integrated into transition planning and used as the basis for referrals to community resources and for ensuring appropriate preventive care. This targeted referral process involves carefully matching the needs of the consumer to the capacities of potential providers. Each consumer will be up-to-date with their dental care services before leaving Agnews and dental services will remain available during the transition period through the Agnews outpatient clinic or other community resources.

Each Bay Area regional center has a dental coordinator and has contracted with the Pacific Center for Special Care at the University of the Pacific School of Dentistry (Pacific). The contracts provide for training and support to assist the regional center dental coordinators to fulfill their goal of ensuring access to dental resources and providers for consumers transitioning from Agnews into community living arrangements. Regional center dental coordinators act as liaison with community oral health professionals. They also provide triage, referral and tracking, conduct individual and community prevention programs, and develop local resources.

Each of the regional centers has collected information about oral health systems present within their geographic area. They have completed a "community-mapping" process to identify community clinics, dental offices, and hospitals that might serve as sources of treatment for Agnews' residents. Dental coordinators are in the process of

following up with the oral health providers in their areas who are known to have accepted referrals in the past or who have been identified as possible sources of care to understand the capabilities and desires of those providers. Dental coordinators offer support for referrals which can allow providers to increase the number of referrals they accept.

Pacific is also collaborating with the regional centers to provide continuing education courses in 2007, for oral health professionals. These courses will be offered at a low tuition rate to increase enrollment. Attendees will be better prepared to treat people with developmental disabilities. Attendee lists will be used for further follow-up by dental coordinators in their resource development efforts. The first training is scheduled for this spring. Finally, Pacific is supporting a major focus to prevent dental disease from occurring in this population. Training resources have also been developed for direct care community staff so that they can support good dental hygiene that will promote dental and physical wellness.

There is a significant need for sedation dentistry services throughout the Bay Area. To address this need, the SARC has established a partnership with Sutter Health and Dominican Hospital that will improve access to sedation dentistry. RCEB and GGRC are working with Pacific to identify similar partnerships for their area.

Behavioral Services

Many of the persons who currently reside, as well as those who have recently resided, at Agnews have behavioral needs. These individuals require a proactive behavioral service that includes training and supports to assist them. The service providers delivering support to these individuals employ specialized staff that are trained to support the behavioral needs of the individuals that they serve. In addition to this, Agnews and SARC have developed a CIRT Team available to all Bay Area regional centers. The CIRT Team, in concert with additional Agnews' staff, provides proactive approaches to support those persons who have behavioral needs with their transition into community settings. In exceptional circumstances it may be necessary to assist in stabilizing the behavior of those who are currently living in a community setting. This support consists of (1) providing training for community staff to assure that they are aware of and can implement the strategies that will support each person prior to placement; (2) following the person into their new home to support the transition plan; (3) being available for consultation regarding emerging issues; and (4) as necessary, providing support during a crisis. Agnews' personnel can serve people with behavioral needs throughout the Bay Area who have transitioned from Agnews.

During normal work hours, CIRT Team requests for service are directed to the Clinical Director. After hours and on weekends and holidays, requests for services are directed to Agnews' Executive Officer of the Day. When a request for service is received, Agnews will assess the need and deploy staff and resources as appropriate. While the CIRT Team has been trained and dedicated for this purpose, other staff knowledgeable of the client through experience and relationship may be deployed. The staff will complete an assessment of the individual's needs, review intervention strategies that have been successful, and work with the community planning team in the development and implementation of training and treatment plans.

Psychiatric services and reviews of medications are available through the Agnews outpatient clinic. Further, each of the regional centers has developed a working relationship with psychiatric resources in the community that are being expanded to accommodate Agnews' residents. SARC, for example, utilizes psychiatric services at Loma Linda University and UC Irvine, through a telemedicine system.

Community behavioral supports will be employed proactively. However, there may be times when a person experiences a significant behavioral episode. Every effort will be made in these circumstances to provide additional staff resources in the person's home to support her/him through this time. If this is not possible, then it may be necessary for the person to temporarily move to a more structured setting. The RCEB has established a partnership with Alameda County and Telecare to provide for this treatment option for the Bay Area regional centers. The DDS will also continue to support the efforts of regional centers to expand partnerships with county mental health departments to improve access to their services to persons with developmental disabilities who also have a mental health need.

Bay Area Quality Management System

A refined model for the QMS was completed and introduced to the Unified Plan Steering Committee, regional center quality assurance staff, advocacy groups, and the Centers for Medicare and Medicaid Services (CMS) Grants Advisory Stakeholder Committee in fall 2006. The Committee included all persons (i.e., consumers, providers, regional center, and DDS staff) that have been, or will be, involved in the Unified Plan. The Bay Area QMS is based on values set forth in the Agnews Closure Plan and described in the DDS Strategic Plan. A three-year federal System Change Quality Assurance/Quality Improvement Grant was completed in September 2006, and served as the basis for the development of the QMS model.

Specifically, the Bay Area QMS outlines the activities that will be used to:

- Keep people safe and assure their well being;
- Support value-based outcomes for providers and individuals served by those providers;
- Ensure the satisfaction of consumers and their families;
- Identify, and fill, gaps in the community system;
- Develop, and pilot, a QMS with potential for statewide implementation; and,
- Meet Center for Medicare and Medicaid Services expectations.

QMS Components

The QMS includes a provider performance expectation and quality improvement tool called Quality Services Review (QSR) that includes 37 provider expectations and 84 measurements of those expectations. A key component of the QSR is its focus on quality outcomes for individuals which is measured using monitoring tools. These tools are implemented by professional staff at regional centers, including registered nurses, psychologists, QMS specialists, and service coordinators as well as by family members, friends and other visitors to individual's homes. These outcome-based quality

expectations measure achievement criteria for consumers and providers. Providers that are part of the QMS are required to meet all expectations that will lead to their approval by regional centers. Beginning in December 2006, over 25 intensive trainings and workshops have been held for regional center professional staff, service providers, and families in preparation for the implementation of the new monitoring tools.

The QSR is currently being implemented with service providers within the scope of the pilot project. In each regional center, QMS Specialists are working with existing Unified Plan providers on meeting or exceeding the provider quality expectations. An implementation schedule has been developed to match the creation of new housing through the BAHF and the development of residential services.

Beginning in April 2007, service providers of new models of service (SRH, SB 962 homes, FTH, or enhanced traditional service models, and Community Care Facilities Negotiated Rate (CCF-NR)) began implementation of the full QMS QSR certification process. Beginning May 2007, all other traditional service models will implement the consumer-related QMS tools for each consumer who has moved from Agnews since July 1, 2003.

In addition, a central information and integration system using Microsoft Access software has been developed. The system has been installed at each of the Unified Plan regional centers. Extensive training has been completed for the users of the new system. The Quality Management Information System (QMIS) manages QMS data storage and display. It is producing QMS reports that include information gathered from the regional center staff tools and input from families and friends from the Quality Snapshot. These reports are reviewed by regional center QMS Specialists and used in working with providers to continuously improve their services and ensure services meet the entire array of provider quality expectations. In addition, the system includes a response tracking process for areas needing attention during the quality improvement efforts. Data from the system is currently being aggregated for review by the Quality Commission in June 2007.

The National Core Indicators (NCI) Consumer and Family Satisfaction surveys were selected to annually measure individual outcomes and family satisfaction. The Bay Area regional centers have completed Year 1 implementation of the Consumer Survey and Family Satisfaction Survey. A statistically significant random sample of approximately 750 consumers from the Medicaid Waiver population was surveyed in-person using the NCI Consumer Survey. Another sample of approximately 400 families from the same Medicaid Waiver population was surveyed by mail using the NCI Family Satisfaction Survey. In addition, the entire population of consumers that has transitioned into the community from Agnews from July 2003, through March 2005, was surveyed in-person using the NCI Consumer Survey. The implementation of Year 2 for the NCI Family Satisfaction Survey began in October 2006. Year 2 of the NCI Consumer Survey is underway, with in-person interviews beginning in November 2006, with approximately 50 percent of the interviews completed as of April 2007. Surveys of the consumers that have transitioned from Agnews for Year 2 have been completed. The Year 1 and Year 2 survey findings and final reports will be available in June 2007.

The QMS includes ongoing mechanisms to measure individual outcomes and

satisfaction in addition to the annual NCI surveys. It incorporates information from reviews by a range of regional center professionals and a Quality Snapshot survey that is completed by families and other visitors to the residential homes. These surveys provide information about the visitor's perspective on the home environment and staff, as well as the consumers well being, and are mailed directly to the Director of QMS. Quality Snapshot surveys have been distributed to many homes and data from returned surveys is being reviewed, utilized, and entered into the Quality Management Information System.

A Review Commission was established to serve in an advisory capacity to review Bay Area QMS data and reports. The members include two consumers, seven parents, an advocate from Protection and Advocacy, Inc., and one provider. The commission has held three orientation meetings since September 2005. The commission will hold its fourth meeting in June 2007, to review the initial QMS data from the QSR process and NCI year 1 and year 2 study results. Recommendations for system improvements and capacity building will be made to the DDS and the Bay Area regional centers by the Review Commission.

State Staff in the Community

Employees at Agnews have developed a wide range of special skills that make them effective in providing services and supports to persons with developmental disabilities. Agnews' personnel are occupationally diverse. Staff comprise a number of different classifications including registered nurses, licensed psychiatric technicians, physicians, registered dietitians, and other professionals who have developed a repertoire of expertise beyond their formal education that is very helpful in working with persons with developmental disabilities.

Many Agnews' employees have dedicated their entire careers to providing services and supports to persons with developmental disabilities and have expressed an interest in continuing to serve the people who reside at Agnews as they transition to community services. As provided for in AB 1378, the DDS is authorized to utilize existing Agnews state employees in a variety of classifications as part of the Administration's plan for closing Agnews and considers this to be an important component for successfully transitioning Agnews' residents into community living arrangements. This legislation authorizes existing state employees to serve as direct care staff, providing clinical and other support services, and directly operating facilities to ensure the health and well being of former Agnews' residents. Toward this end, Agnews and the DDS have provided extensive staff training and orientation to prepare these employees for transition to community-based services for individuals with developmental disabilities.

The state has negotiated contracts with the three Bay Area regional centers to use state employees in the community and has reached agreements concerning the implementation of the state employees in the community program with the American Federation of State, County, and Municipal Employees, the California Association for Psychiatric Technicians, the Service Employees International Union (SEIU), and the Union of American Physicians and Dentists. The agreements cover such areas as the employee selection process, the provision of ongoing supervision, employee rights and representation, and the rights of those employees in the actual closure process. More

recently, DDS negotiated a similar agreement with SEIU to include Unit 20 representing Licensed Vocational Nurses.

Agnews has been working collaboratively with each of the Bay Area regional centers to keep Agnews' staff informed of opportunities to apply for positions as state staff in the community and offers presentations and information regularly to their employees on the value of the state staff in the community program.

Implementation of the community state staff program has required overcoming some operational challenges. Ongoing attention is being placed on ensuring existing state civil service and bargaining unit agreements are adhered to in community-based positions. Additionally, developing and providing meaningful orientation sessions that outline the expectations of community-based positions to ensure Agnews' staff are prepared for the job opportunities available has proven to be critically important. Integrating developmental center practices with the service needs of community providers has proven advantageous in developing clear Job Opportunity Bulletins that assure services provided by the state employees in the community meet the needs of the consumers being served.

Outreach to employees has included facility-wide advertisements for drop-in informational sessions specific to community state staff positions being advertised at that time, general informational and recruitment presentations at regularly scheduled meetings in various departments, advertised focus sessions at the Marchesi Career Center, as well as individual career counseling appointments upon request of interested employees. These efforts have generated meaningful discussions about the future of Agnews' residents and have provided additional opportunities to gain knowledge about employees' professional interests. Informational brochures regarding community state staff have been distributed throughout the facility. A Job Opportunity Bulletin display has been established specifically for community state staff positions at the Marchesi Career Center, and staff is updated weekly on available community state staff opportunities to promote steady recruitment throughout the facility.

Additionally, to help prepare Agnews' employees to compete for and successfully assume positions as state employees in the community, the Agnews Staff Support Committee is working with a group of professionals from the DHS, CCL, regional centers, community providers, the RPBA, and the DDS to provide training to interested Agnews' employees who wish to pursue becoming service providers or employees in community settings. A curriculum has been developed for state staff to assist them in transitioning their unique clinical skills to smaller community settings. Plans are also being formulated to support Agnews' staff to complete the required coursework for certification if they receive employment offers as administrators.

From December 1, 2006, through March 31, 2007, 70 employees have applied for and been interviewed for contracted community state staff positions with various regional centers and provider organizations. The opportunities for employees to apply for community state staff positions will increase as more BAHP homes become available and state staff is already playing a number of roles in the community including providing direct care, training and consultation, and consumer assessment, planning and case management. Recent hires have included positions such as psychiatric technician

assistant, licensed psychiatric technician, registered nurse, occupational therapist, psychologist, and registered nurse administrator.

The RPBA has coordinated visits by Agnews direct care staff, shift supervisors, supervising registered nurses, and other professional staff to meet community service providers and view existing community residential homes serving individuals with developmental disabilities. These visits provide Agnews' employees an opportunity to view future living environments for Agnews' residents as well as potential work environments for community state staff.

Business Management Team

The Business Management Team (BMT) was formed in 2003 to identify the tasks and develop the plans required to address the operational functions, construction projects, fiscal management, and space utilization as they relate to the closure of Agnews. The BMT is comprised of both developmental center and headquarters personnel. Seventeen project plans were developed that include the necessary tasks, responsible persons, and completion dates for facilitating closure activities. The project plans include Client Property Transfer, Communications and Information Systems, Construction Projects, Fiscal Services, Hazardous Materials, Health and Safety, Historical, Leased Properties, Notifications, Physical Plant, Records, Regional Resource Development Projects including the Delta Regional Project and the RPBA, Security, Space Utilization, Staff Support, State Property and Supplies, and Trust. All project plans include specific protocols to define the implementation steps necessary to ensure a smooth transition.

As consumer transition is beginning to occur in greater numbers, there is a need to consolidate space and implement the initial steps in each of the work plan areas to ensure ongoing continuity of care and services during the closure process. Determination of costs associated with the removal and relocation of major equipment is underway. A website has been established with the other DCs reflecting Agnews' inventory to ensure a coordinated approach to procurement and distribution of Agnews' equipment and supplies that are needed by other DCs.

The Human Resource Committee has begun meeting on a more frequent and regular basis since October 2006, to initiate the implementation of both personnel and labor relations functions associated with closure.

Plans have been developed to maintain the buildings in a warm shutdown condition after facility closure to prevent deterioration, provide for security, maintain health and safety conditions, and adhere to all post closure fiscal obligations. One of the four residential buildings was placed in a warm shut down mode on July 1, 2006, and another residence is anticipated to be closed in June 2007. As the resident population decreases, consolidation reduces operational costs for utilities, building maintenance, and janitorial services.

The Agnews campus includes 51 buildings on 87 acres of land. Two off-site leases have been terminated, and their functions have been consolidated and moved onto the Agnews campus. The only remaining lease is for the Nuttman warehouse which has the

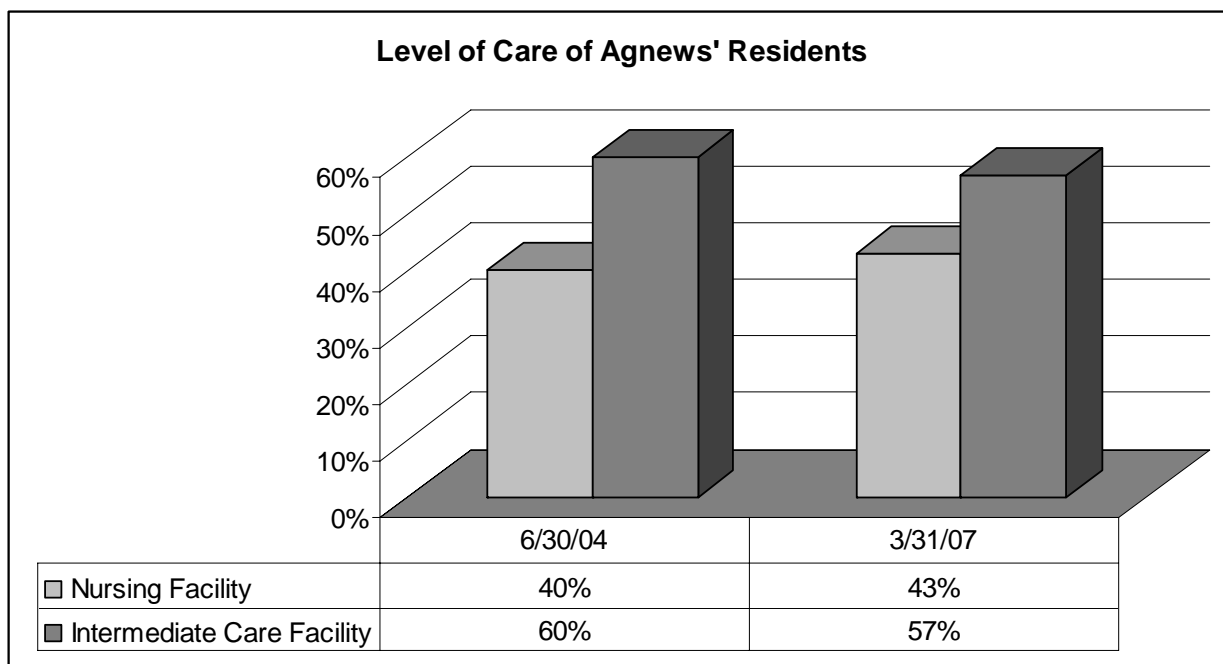
necessary loading docks to serve as the distribution point for laundry services provided through a contract with the Prison Industry Authority. No existing Agnews buildings have the loading dock capability to provide this warehouse function.

Update on Agnews' Consumers

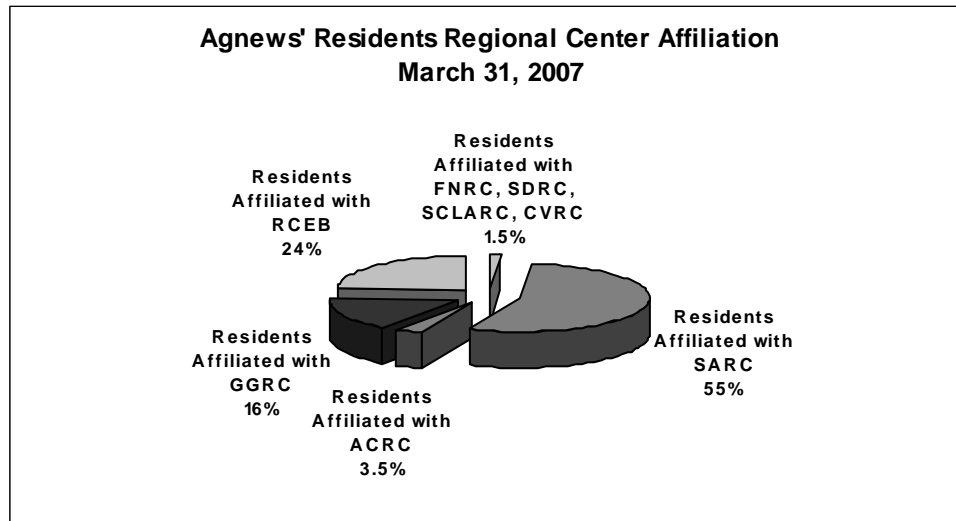
Current Agnews' Residents

As of March 31, 2007, 244 persons reside at the Agnews campus in three residential buildings. There are a total of 13 residences within these three buildings, with an average census of approximately 19 residents each.

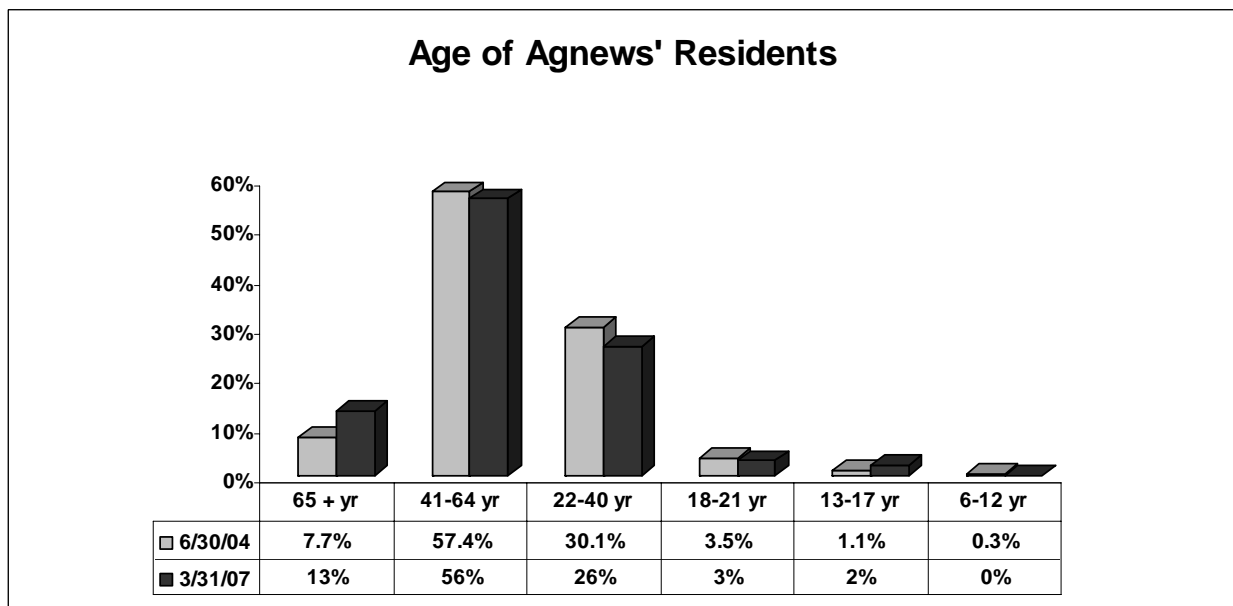
Agnews provides three levels of care to people who reside at the facility. The first level of care is provided in the Nursing Facility residences in which approximately 43 percent of Agnews' residents live. The second level of care is provided in the Intermediate Care Facility residences, which are home to the remaining 57 percent of the consumers. Both the Nursing Facility residences and the Intermediate Care Facility residences provide 24-hour residential services. The third level of care is General Acute Care where short-term medical and nursing care is provided to residents to address an illness or injury.



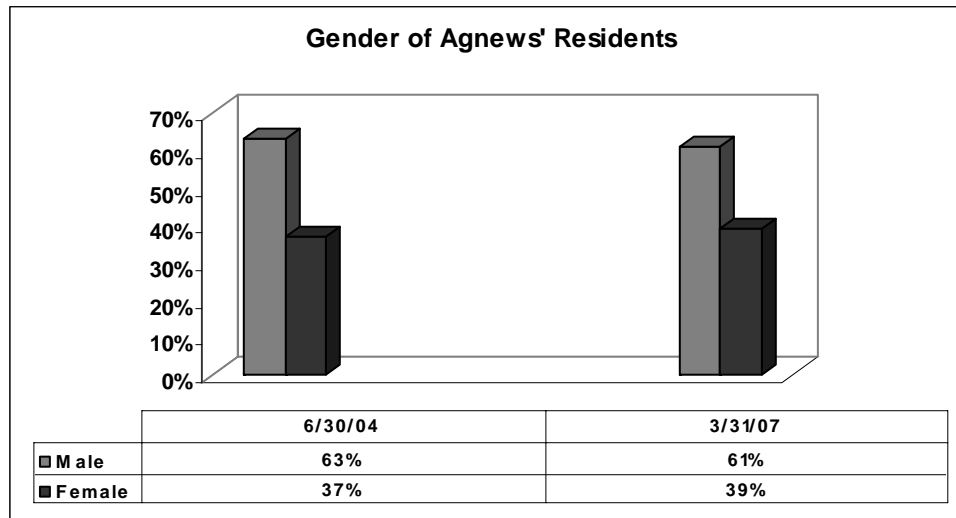
Fifty-five percent of current residents are affiliated with SARC, 24 percent are affiliated RCEB, 16 percent are affiliated with GGRC, 3.5 percent are affiliated with Alta California Regional Center (ACRC), and 1.5 percent are affiliated with Far Northern Regional Center (FNRC), San Diego Regional Center (SDRC), South Central Los Angeles Regional Center (SCLARC), or Central Valley Regional Center (CVRC).



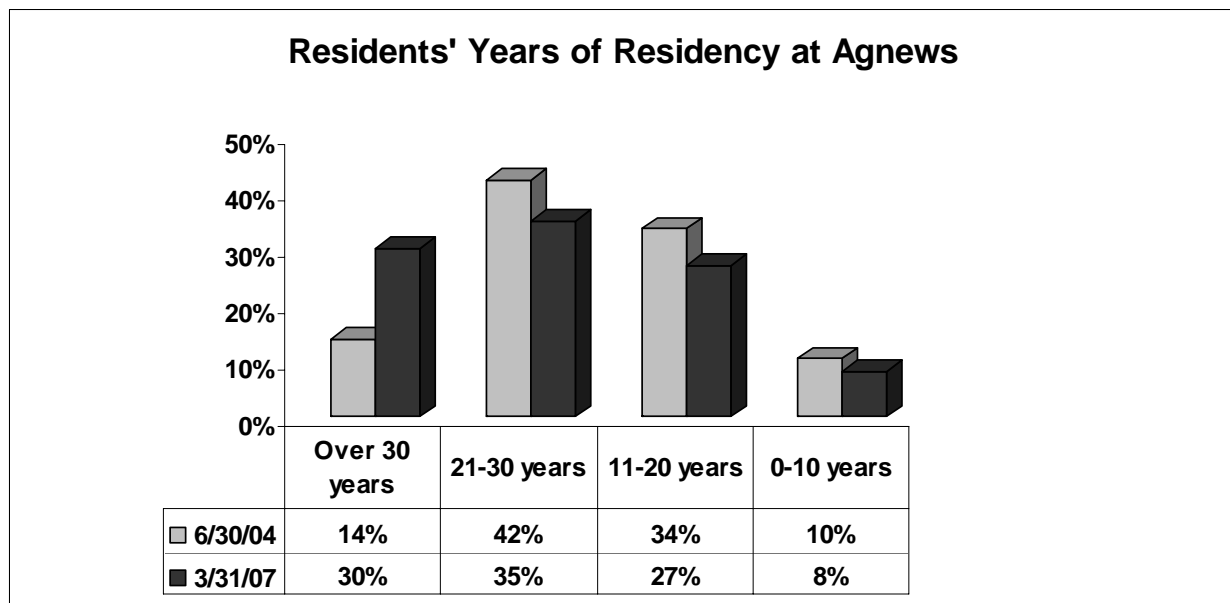
As of March 31, 2007, 69 percent of the residents are over age 40. People who are 65 years or older make up 13 percent of the population. In contrast, 2 percent of the residents are under the age of 18 years.



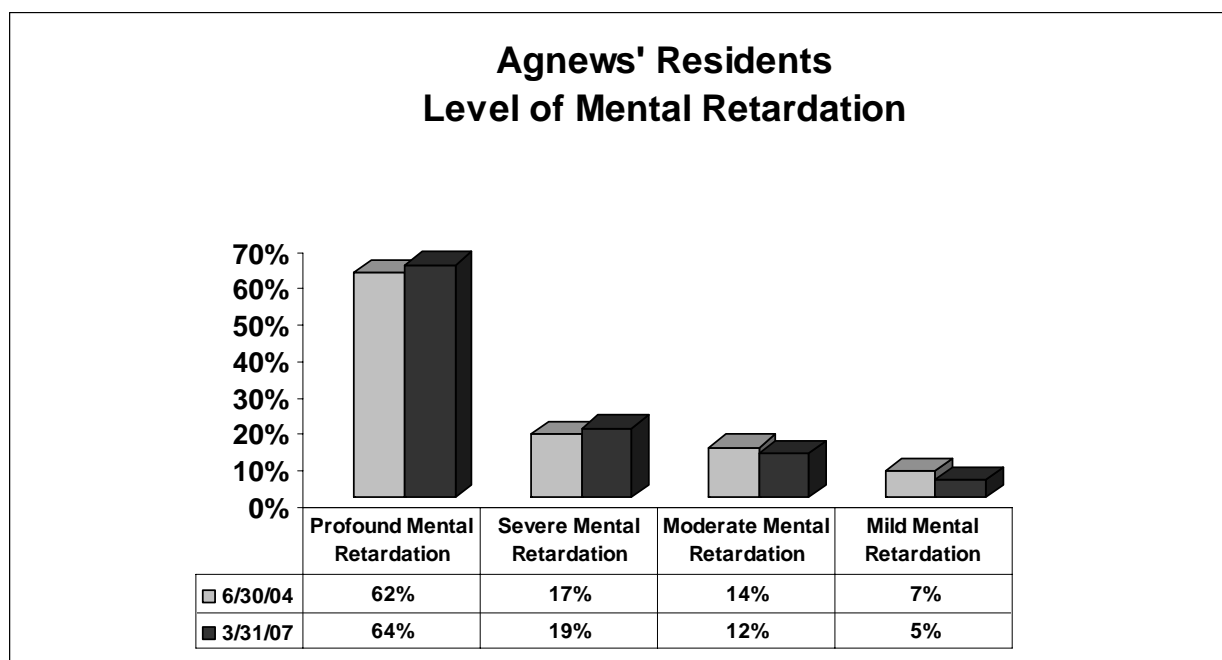
Sixty-one percent of the residents are male, and 39 percent are female.



Sixty-five percent of the current residents have lived at Agnews over 20 years. Twenty-seven percent have resided at Agnews for 11 to 20 years. Eight percent have resided at Agnews ten years or less.



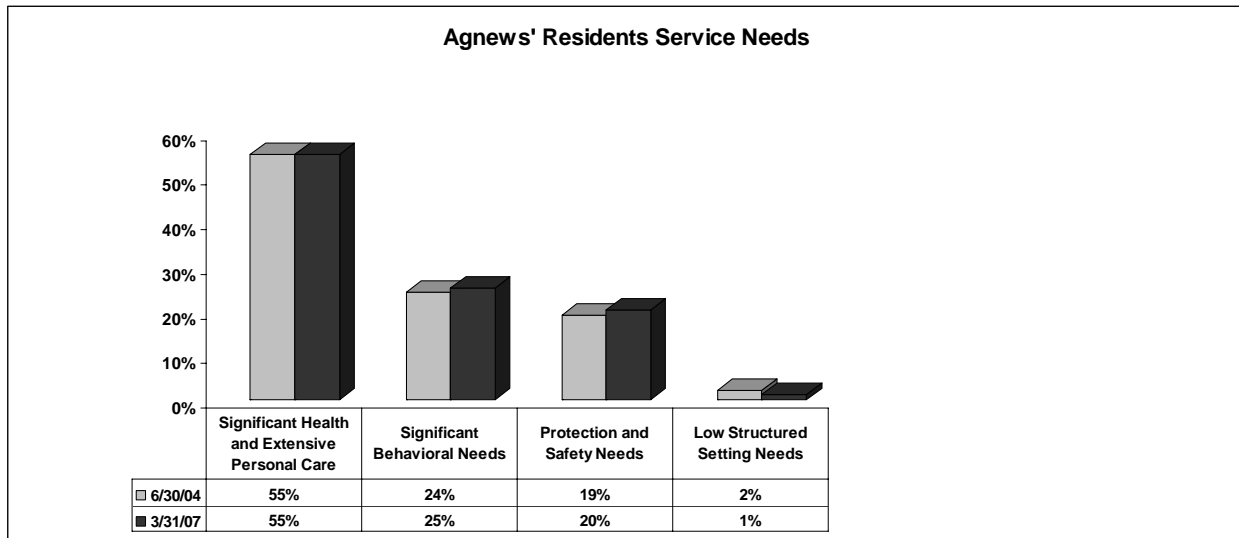
Sixty-four percent of the current Agnews' residents have profound mental retardation, 19 percent have severe mental retardation, 12 percent have moderate mental retardation, and 5 percent have mild mental retardation.



There are four primary service needs for persons who reside at Agnews.

- Significant Health and Extensive Personal Care Needs:** This category includes people who require intermittent pressure breathing, inhalation assistive devices, or tracheotomy care; have recurrent pneumonias or apnea; and are non-ambulatory, requiring total assistance and care, and/or receive enteral (tube) feeding. Significant nursing intervention and monitoring are required to effectively support these individuals. Fifty-five percent of the residents have significant health and extensive personal care needs.
- Significant Behavioral Needs:** This category describes persons who have behavioral needs that may require intervention for the safety of themselves or others. Approximately 25 percent of the residents are persons with behavioral issues.
- Protection and Safety Needs:** This category includes persons who need a highly structured setting because of a lack of safety awareness, a pattern of self-abusive behaviors and/or inappropriate expression of social behavior. These consumers require constant supervision and ongoing intervention to prevent self-injury and/or stigmatizing behavior. Twenty percent of the persons residing at Agnews require this type of structure and service need.

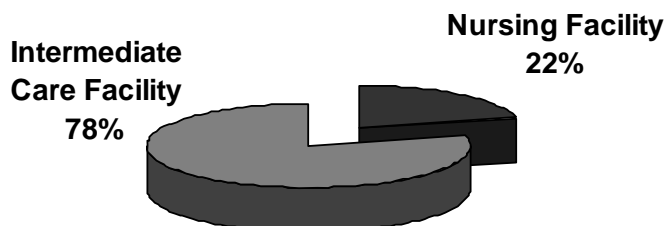
- **Low Structured Setting Needs:** This service need addresses those residents who require minimal supervision and support. One percent of the Agnews' residents require minimal supervision or support.



Agnews' Consumers Who Have Transitioned Into Community Living Arrangements

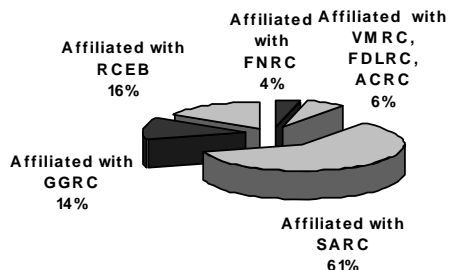
Between the period of July 1, 2004, and March 31, 2007, 115 residents transitioned to the community, 11 persons were admitted to Agnews, and 4 persons were transferred to other developmental centers. Of the consumers who transitioned to community living arrangements between July 1, 2004, and March 31, 2007, 78 percent had been served in Intermediate Care Facility residences and 22 percent had been served in the Nursing Facility residences while at Agnews.

Level of Care of Consumers Transitioned to Community March 31, 2007

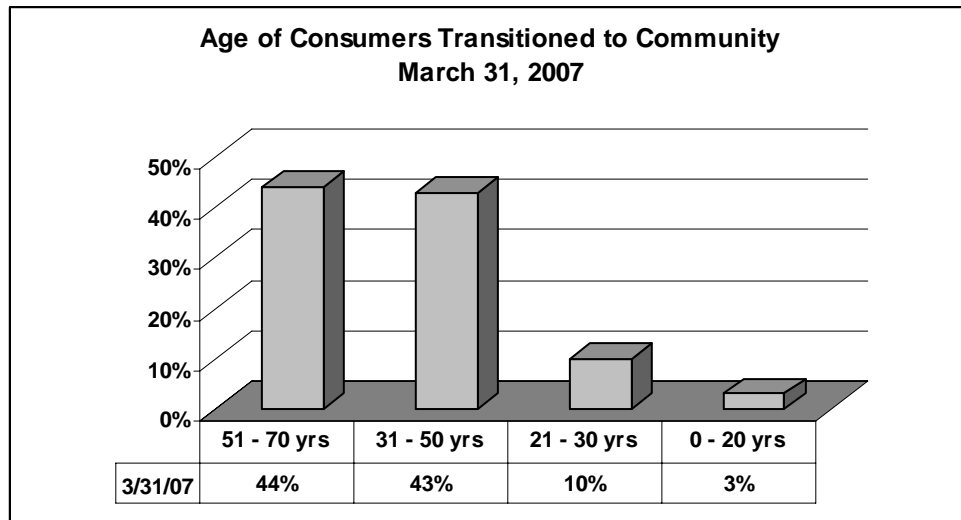


Of the consumers transitioning to the community between July 1, 2004, and March 31, 2007, 61 percent were affiliated with SARC, 16 percent were affiliated with RCEB, 14 percent were affiliated with GGRC, 6 percent were affiliated with Valley Mountain Regional Center (VMRC), FDLRC, or ACRC, and 4 percent were affiliated with FNRC.

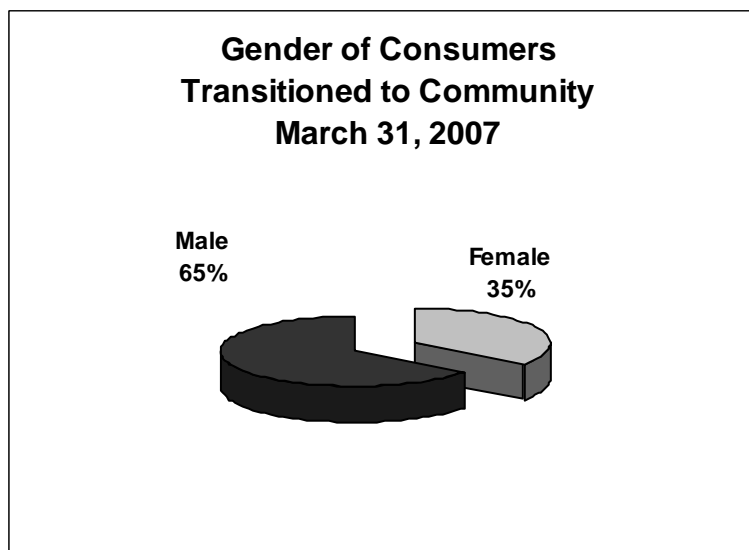
Regional Center Affiliation of Consumers Transitioned to Community March 31, 2007



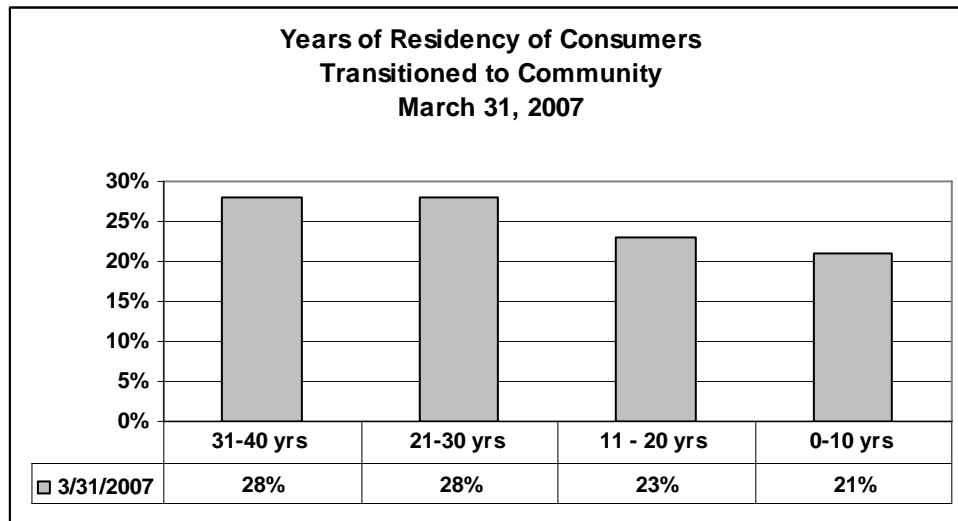
Of the consumers transitioned to the community between July 1, 2004, and March 31, 2007, 44 percent were 51 to 70 years of age at the time of transition from Agnews, 43 percent were 31 to 50 years old, 10 percent were 21 to 30 years old, and 3 percent were 20 years of age or younger.



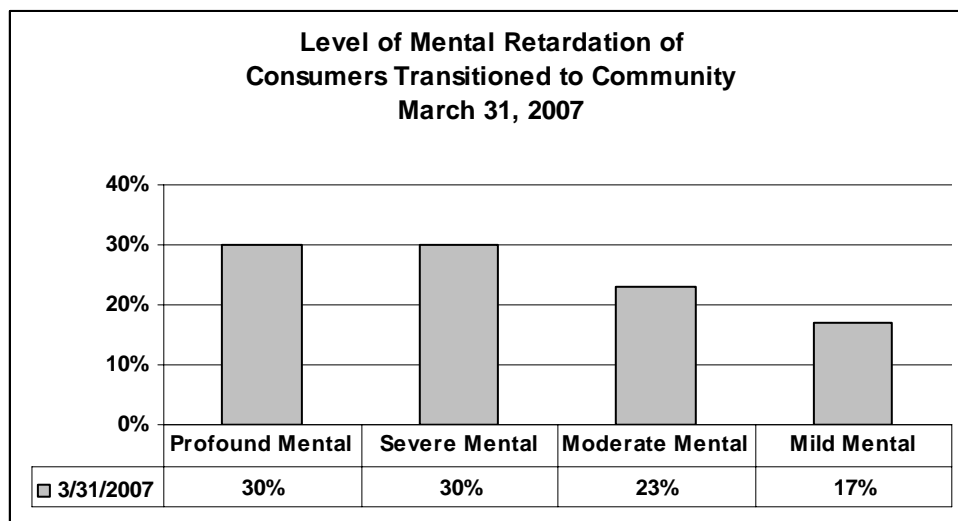
Of the consumers transitioned to the community between July 1, 2004, and March 31, 2007, 65 percent were male, and 35 percent were female.



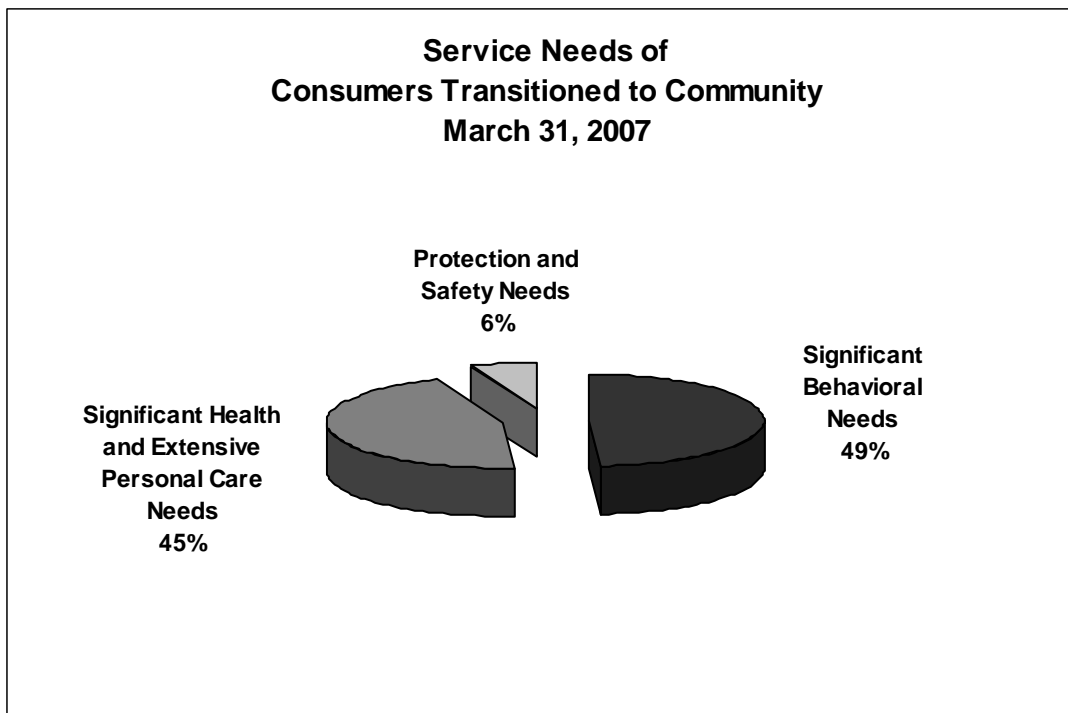
Of the consumers transitioned to the community between July 1, 2004, and March 31, 2007, 28 percent lived at Agnews for 31 to 40 years, 28 percent for 21 to 30 years, 23 percent for 11 to 20 years, and 21 percent for 10 years or less.



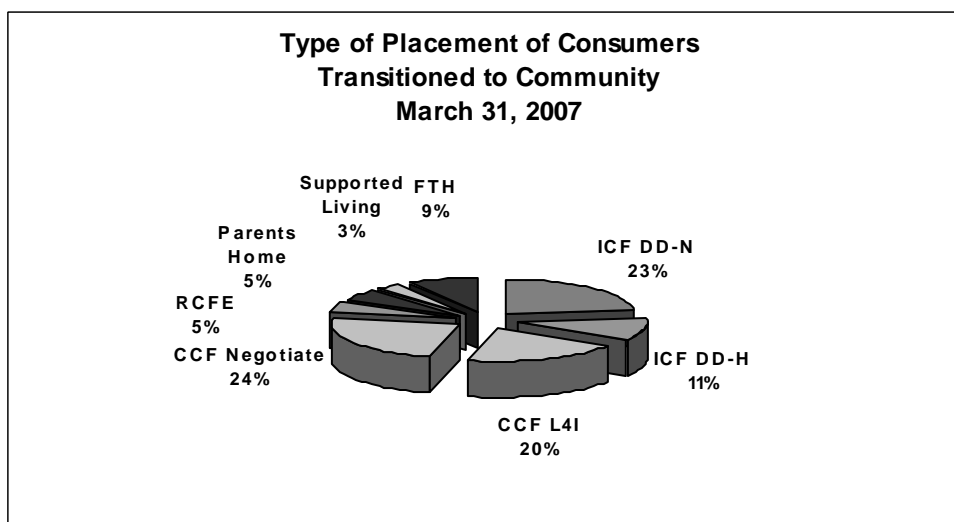
Of the consumers who transitioned to the community between July 1, 2004, and March 31, 2007, 30 percent had profound mental retardation, 30 percent had severe mental retardation, 23 percent had moderate mental retardation, and 17 percent had mild mental retardation.



Forty-nine percent of the consumers who transitioned to the community between July 1, 2004, and March 31, 2007, had significant behavioral needs, 45 percent had significant health and extensive personal care needs, and 6 percent had protection and safety needs.



Twenty-four percent of the consumers who transitioned to the community between July 1, 2004, and March 31, 2007, moved to CCF Negotiated Rate housing, 23 percent moved to ICF DD-N residence, 20 percent moved to CCF Level 4 I housing, 11 percent moved to ICF DD-H residences, 9 percent moved to Family Teaching Homes (FTH), 5 percent moved to Residential Care Facilities for the Elderly (RCFE), 5 percent moved to their Parents Home, and 3 percent receive Supported Living services in their residence.

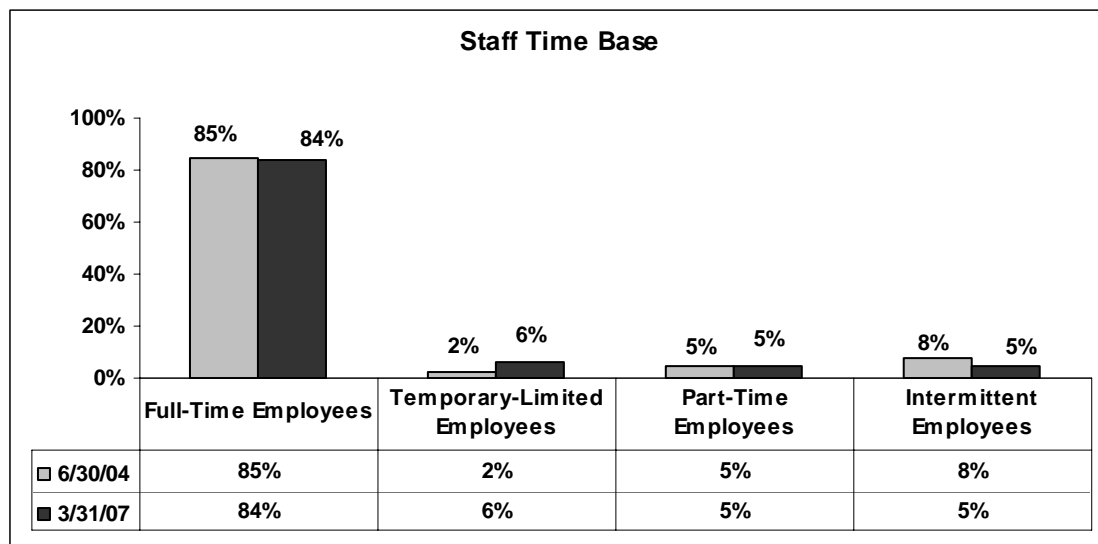


Update on Employees

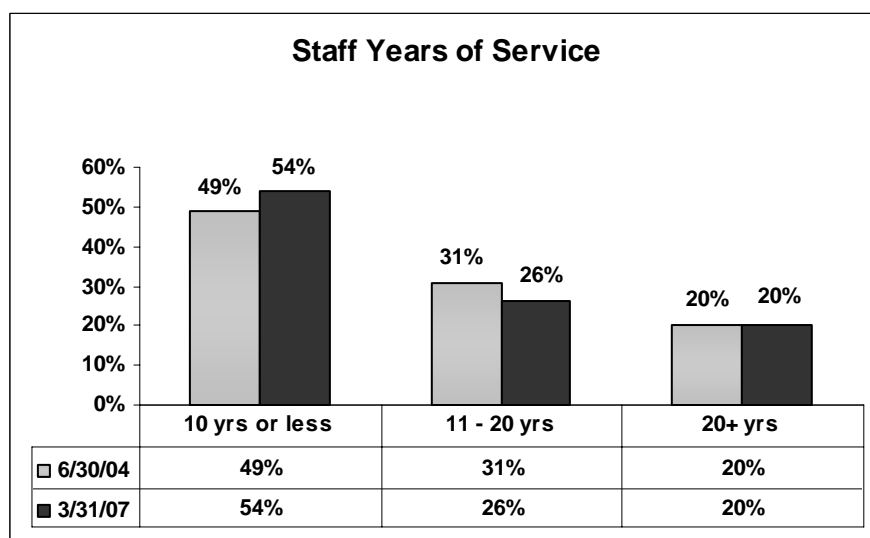
This report is an update on current employee status as of March 31, 2007. This includes updates on current employee composition, separated staff composition, and plans for employees.

Current Employee Composition

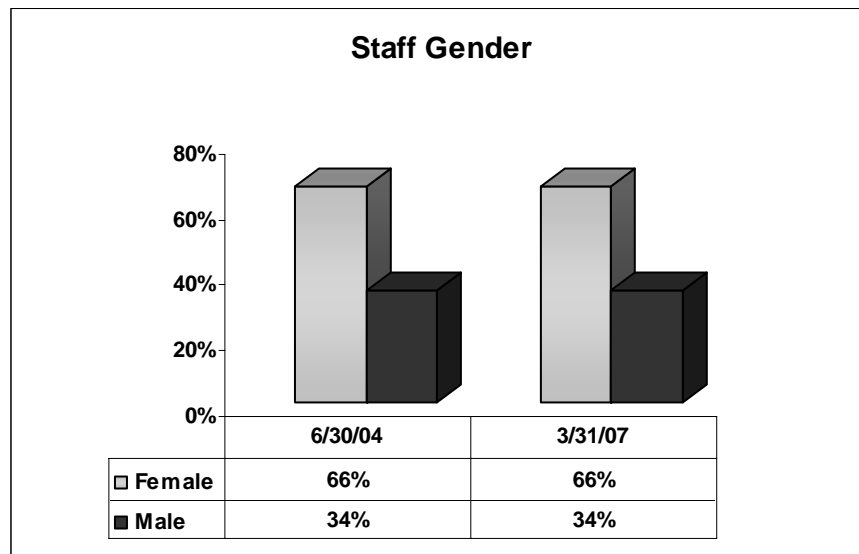
As of March 31, 2007, there are 1,003 employees at Agnews. Of these employees, 84 percent are currently full-time employees, 6 percent are temporary limited-term employees, 5 percent are part-time employees, and 5 percent are intermittent employees.



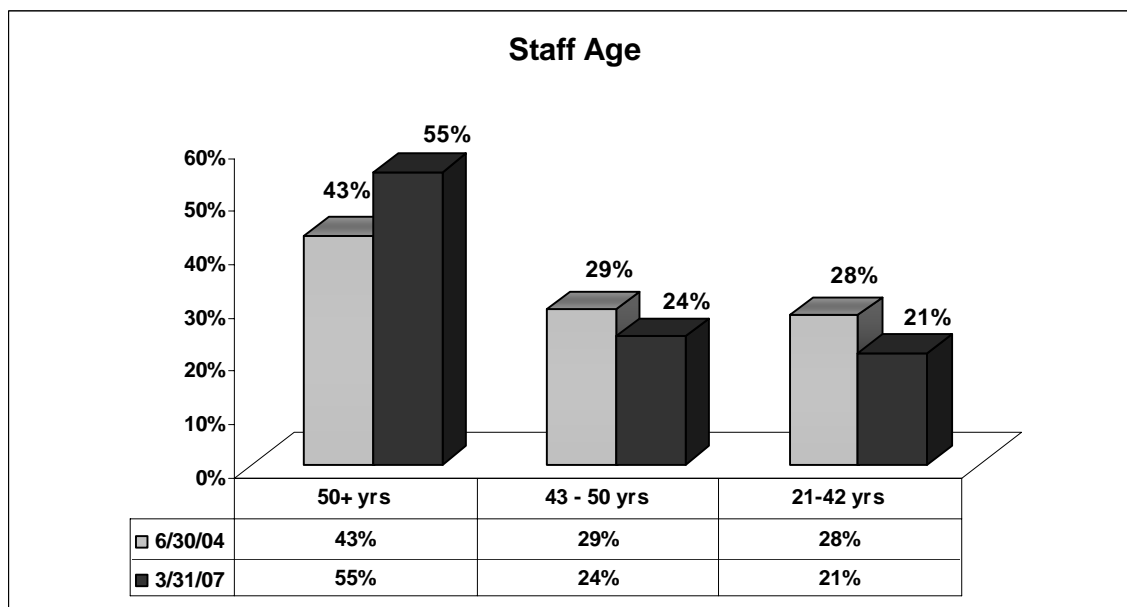
Fifty-four percent of the employees have worked at Agnews for 10 years or less. Twenty-six percent of the employees have been employed at Agnews between 11 and 20 years. The remaining 20 percent have worked at Agnews for more than 20 years.



Sixty-six percent of the workforce are female and 34 percent of the workforce are male.

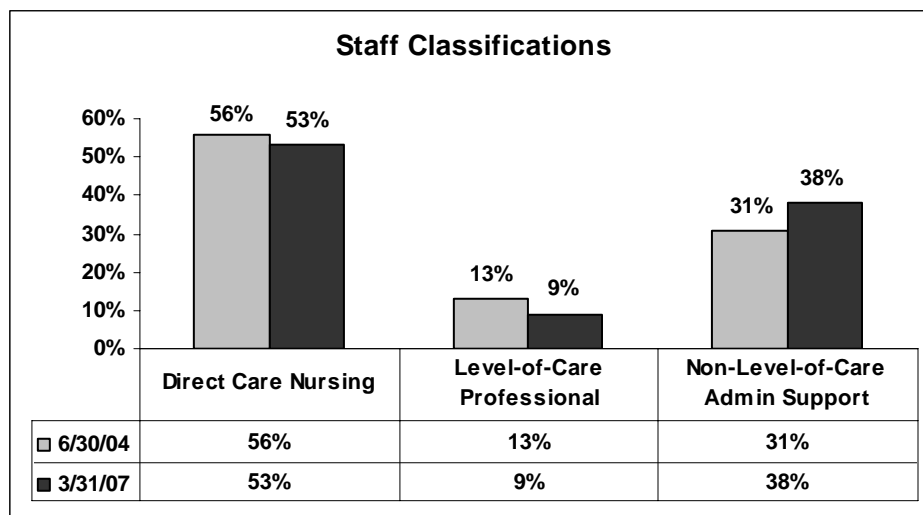


Fifty-five percent are over 50 years of age. Twenty-four percent are between 43 to 50 years. Twenty-one percent of the workforce are between 21 and 42 years of age.

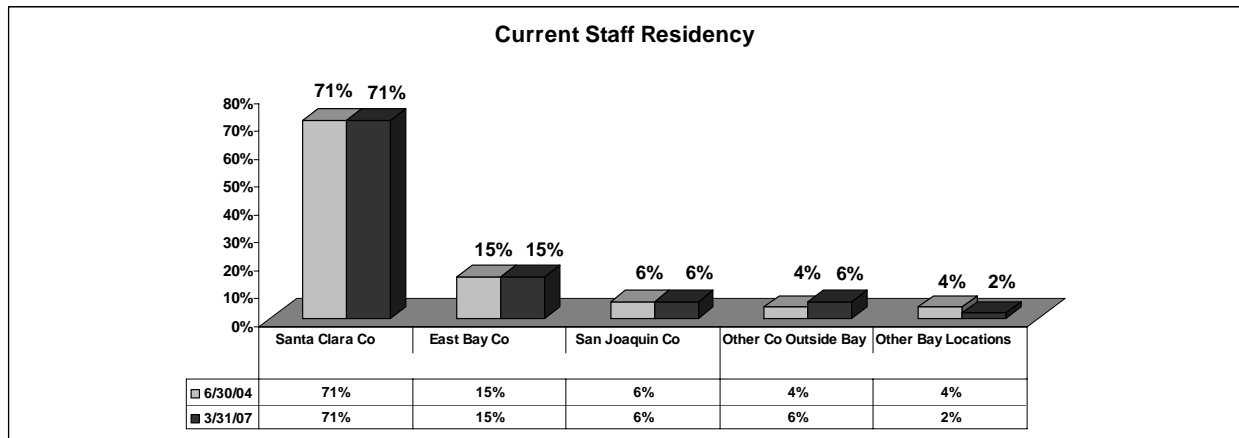


There is a wide range of employees and classifications that provide services to people residing at Agnews. These classifications are categorized as follows:

- **Direct Care Nursing:** The direct care employees make up 53 percent of the employee population and include those employees who provide direct services to the residents at Agnews. These employees are registered nurses, licensed vocational nurses, psychiatric technicians, psychiatric technician assistants, trainees, and students.
- **Level-of-Care Professional:** The level-of-care professional employees make up nine percent of the total employee population and include physicians, rehabilitation therapists, social workers, teachers, physical and occupational therapists, respiratory therapists and others who provide a direct and specialized service to the residents at Agnews.
- **Non-Level-of-Care and Administrative Support:** The remaining 38 percent of the employee population includes those employees who are in non-level-of-care positions and administrative support. This includes clerical employees, food service employees, personnel and fiscal services employees, plant operations employees, and all supervisors and managers.

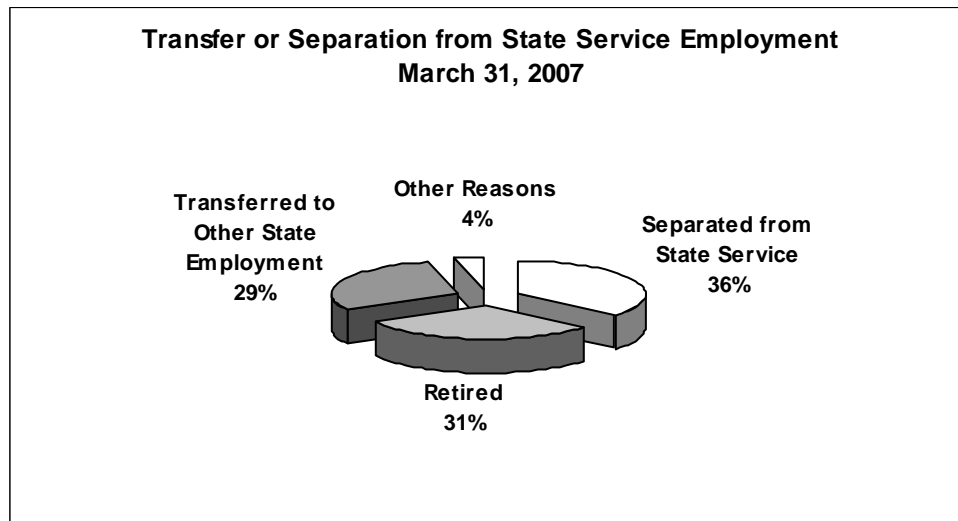


Agnews' employees continue to reside in neighborhoods throughout the Bay Area. Seventy-one percent live in Santa Clara County, 15 percent reside in the East Bay counties, 6 percent commute from San Joaquin County, 6 percent commute from other counties outside the Bay Area, and 2 percent of employees live in various other Bay Area locations.

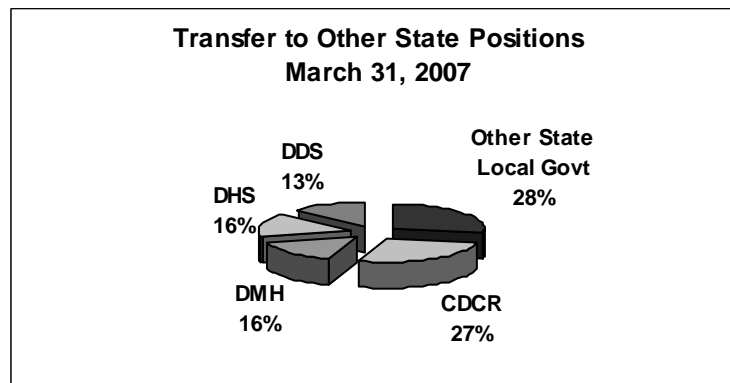


Separated Employee Composition

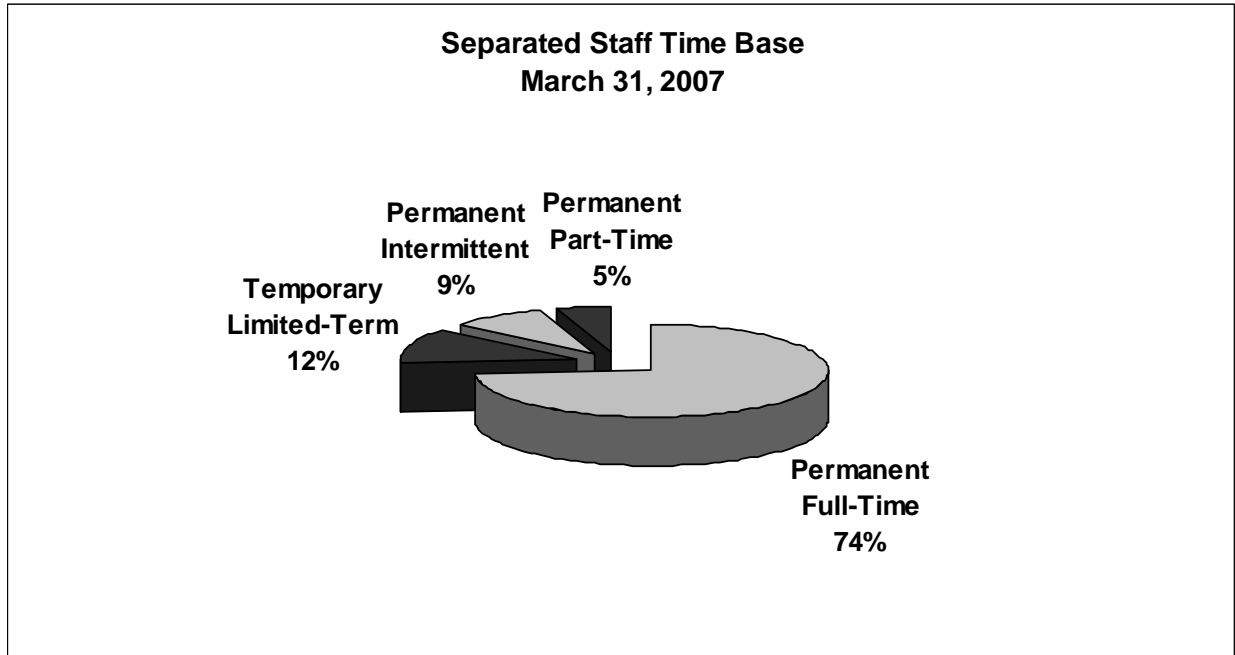
Between the time period of July 1, 2004, and March 31, 2007, 446 employees separated from employment with Agnews. Of those separating, 36 percent separated from State service, 31 percent retired, 29 percent transferred to other State employment, and 4 percent left for other reasons.



For people separating from Agnews to other State employment, 28 percent transferred to other state or local government agencies, 27 percent transferred to the California Department of Corrections and Rehabilitation (CDCR), 16 percent transferred to the Department of Mental Health (DMH), 16 percent transferred to the Department of Health Services (DHS), and 13 percent transferred to other employment within the Department of Developmental Services (DDS).



Of the employees that separated from Agnews' state service between July 1, 2004, and March 31, 2007, 74 percent had been full-time employees, 12 percent had been temporary limited-term employees, 9 percent had been permanent intermittent, and 5 percent had been permanent part-time.



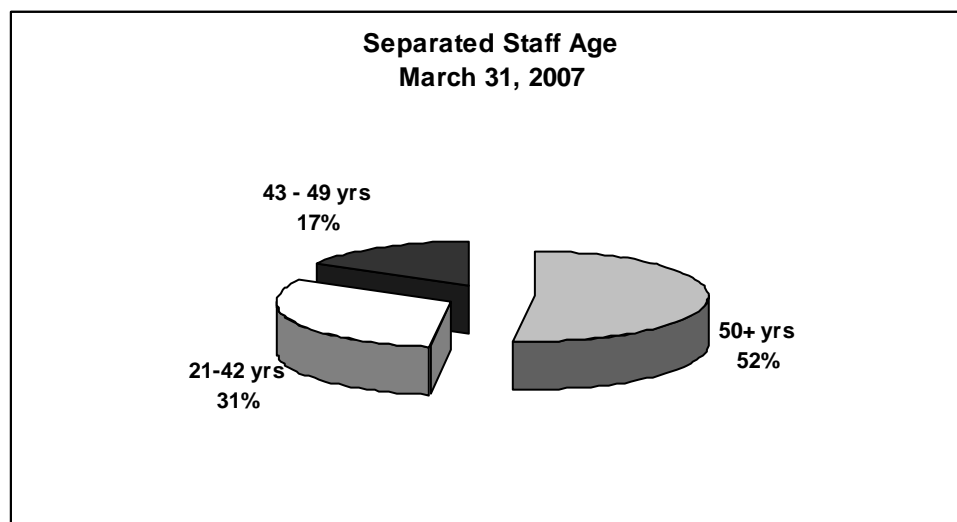
Sixty-eight percent of the employees who separated from state service had worked at Agnews for ten years or less. Eighteen percent of the employees had worked at Agnews between 11 and 20 years. The remaining 14 percent had worked at Agnews for more than 20 years.



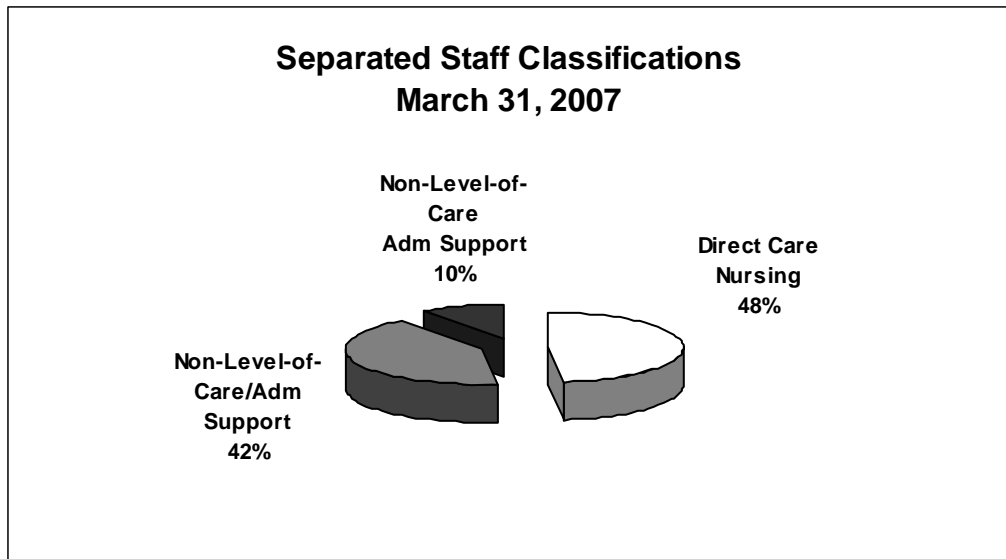
Sixty-two percent of those who separated from state service were female and 38 percent were male.



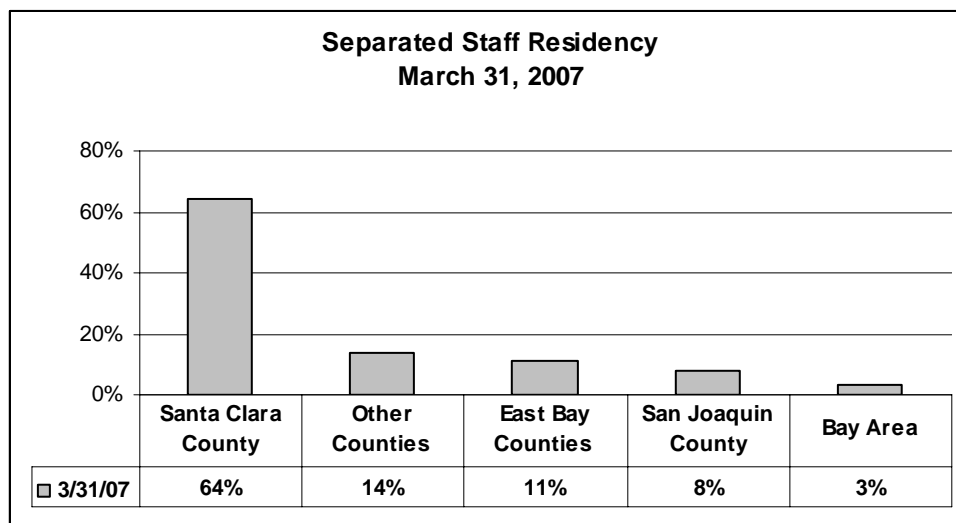
Fifty-two percent were 50 years or older, 31 percent of those who separated were between 21 and 42 years of age, and 17 percent were between 43 to 49 years old.



Forty-eight percent of the separated employee population were providers of direct care including nursing services to the consumers at Agnews. Forty-two percent of the separated employee population included those employees in non-level-of-care positions and administrative support. Ten percent of the separated employee population were level of care professional service providers to the consumers at Agnews.



Separated employees continue to reside in neighborhoods throughout the Bay Area. Sixty-four percent live in Santa Clara County, 14 percent of employees live in other counties outside the Bay Area, 11 percent reside in the East Bay Counties. In addition, separated employees residing in communities outside of the Bay Area include eight percent who commuted from San Joaquin County and 3 percent who reside in the Bay Area.



Plans for Employees

Agnews' employees are aware of the closure date of June 30, 2008, and of the options that are, or will become, available to them. There are a number of resources available and services that have been initiated, and that will continue, during implementation of the Agnews Closure Plan.

The Marchesi Career Center

The Marchesi Career Center (Career Center) was officially opened at Agnews in July 2006, and was originally staffed with two professionals. Based on increased staff needs and usage, the Career Center is now staffed with four professionals who continue to provide assistance to staff in a wide variety of ways. From the time of its opening through March 31, 2007, Career Center staff have assisted more than 550 Agnews' employees. Employees can access the Career Center either by scheduling appointments or on a drop-in basis during posted operating hours. The Career Center hours cover all shifts for the convenience of employees whether they work AM, PM, or night shifts at Agnews.

The Career Center is equipped with five computer systems with access to the internet for job searching purposes. Web links are available for connecting to advertisements for state, county, city and local jobs, as well as to obtain information on State Restriction of Appointment, Surplus Status, retirement, and benefits. The Career Center also serves as a training site complete with a media center which includes a large screen TV, power point projector for presentations, equipment for presentations, and training materials specific to community-based business opportunities and employment, job searching, résumé writing, application processing and interview tips and techniques. A quarterly retirement and benefit workshop is also provided by the California Public Employees' Retirement System. The Career Center has provided training courses to more than 320 staff from the time it opened through March 31, 2007.

Continued Employment in the Developmental Services System

As discussed previously in the section entitled State Staff in the Community, up to 200 Agnews' employees will have the opportunity to obtain community-based state employment. These positions may be providing direct care, training, consultation, quality assurance, or other services in the community. The procedures for selecting persons to fill these positions have been negotiated with each involved labor organization, taking into consideration current hiring practices for state employment. An addendum to the SEIU agreement was added in March 2007 which allows those Agnews' employees in SEIU Bargaining Unit 20, including Licensed Vocational Nurse classifications, to be included in the contracted state staff in the community program. This provides an opportunity for additional Agnews' employees to participate in the state staff in the community program authorized by AB 1378 along with those classifications previously identified, namely Registered Nurses, Psychiatric Technicians, Psychiatric Technician Assistants, Psychologists, Physicians, Registered Dietitians, Occupational Therapists, Physical Therapists, Rehabilitation Therapists, Speech Therapists, and

Respiratory Therapists. Regional centers and service providers are beginning to utilize the State Staff in the Community Program and opportunities will increase greatly as BAHP housing becomes available.

The Career Center provides orientation sessions and posts job opportunity bulletins for employment in other areas within the developmental disabilities service system. Information is available on becoming a licensed administrator and advertisements are posted for positions at other developmental centers, state-operated community facilities, regional centers, and at the DDS headquarters.

Of particular note beginning in April 2007, a new offering by the Career Center will be Direct Service Provider (DSP) training for those employees interested in transitioning into the community-based service system. DSP training is required for all staff providing care to consumers in the community. The training consists of two 35-hour classes with a competency test at the end of the program. The curriculum includes:

- basics in the field of developmental disabilities and the service delivery system
- the California developmental disabilities services system
- risk management and incident reporting
- medications management
- infection control
- signs and symptoms of illness and injury
- person-centered planning
- positive behavior supports and other strategies to enable individuals to be successful in providing services to people with developmental disabilities and challenging behaviors.

For Agnews' staff who already feel adequately prepared to pass the DSP training exam based upon the depth of their clinical experience, a quick review and sample test is offered along with an opportunity to take the DSP challenge exam without having to complete the entire training program. These options provide a significant benefit to Agnews' employees looking to transition into the community-based service system as they will already be DSP-certified. This also benefits the service providers, regional centers, and consumers by ensuring an experienced and qualified prospective workforce from which to select employees.

Individual Assistance in Developing Job Skills and Locating Job Opportunities

Agnews has established a Staff Support Committee to provide assistance to the Career Center as the facility moves toward closure. For Agnews' staff unsure about future plans, a career counseling process is available to assist employees with decisions

about current steps to take and possible future goals. The process begins with a survey tool which assists the counselor in identifying possible services that may benefit the employee. The survey tool identifies employees by name and current classification, and queries their educational background, employment or retirement interests, job-shadowing interests, and any other areas of interest, or concern, the employee wishes to share. Counselors assist employees with job search information, assessing qualifications based on job specifications, finding available employment opportunities, preparing applications, comparing benefits, and evaluating retirement options. One hundred ninety-two employees received career counseling from September 2006, through March 31, 2007.

To better understand general employee plans for their future, surveys have been distributed to all Agnews' employees to provide an opportunity for every employee to communicate their future career interests. With this information, the Career Center can better identify and tailor counseling and training based on what Agnews' staff state is most important to them. To date 555 employees have responded. Using personal insight gained from career counseling and voluntary surveys, individual notices, invitations, and save-the-date cards are sent to employees who have expressed interest in certain opportunities.

























Upcoming activities being coordinated through the Career Center include a job fair for prospective employers of Agnews' employees scheduled for July 2007. In association with the Career Center, Agnews has also established a work group to gather and review career planning questions being raised by employees for response through the Agnews Employee Newsletter. The Career Center, in partnership with the work group and the Employee Advisory Council, also facilitate staff morale-building activities.

Agnews remains committed to the establishment and implementation of a system that promotes employee stability and provides opportunities to assist employees with taking the next step in their future plans.

Major Implementation Steps and Timelines

Major Implementation Steps and Timelines





























Report on the Plan for Closing Agnews Developmental Center

ID		Task Name	2007					
			2nd Quarter			3rd Quarter		
			Apr '07	May '07	Jun '07	Jul '07	Aug '07	Sep '07
1		Plan Development						
2		Establish the Bay Area Project Steering Committee						
3		Establish Agnews' proposed closure Advisory Committee						
4		Begin Agnews' proposed closure Advisory Committee meetings						
5		Establish Bay Area Project planning teams to solicit input on the Agnews Closure Plan						
6		Public Hearing on the proposed closure of Agnews						
7		Letter to Legislators and Other Interested Parties announcing postponement of Agnews Closure to July 2006						
8		Submission of the Agnews Closure Plan to the Legislature						
9		Legislative approval of Plan for Closure						
10		Resource Development						
11		Bay Area Housing Plan (BAHP)						
12		Draft Legislation						
13		AB 2100 Introduced						
14		AB 2100 effective 1/1/2005						
15		Regional Center Development of BAHP						
16		DDS, Housing and Community Development, California Housing and Finance Agency (CalHFA), DOF, Governor's Office Review BAHP						
17		BAHP and Expenditure Plan submitted to JLBC						
18		CalHFA Bd approves 1st bond financing						
19		CalHFA Bd approves 2nd bond financing						
20		Construction and acquisition financing secured						
21		NPOs identify potential properties						
22		Hallmark acquires properties						
23		Hallmark renovates properties						
24		BAHP Legal Agreements endorsed						
25		BAHP RC Contract Amendment Enforced						
26		Budget Act Reappropriation of Expenditure Plan Funds						

A check indicates a completed task.
May 2007

Major Implementation Steps and Timelines

























Report on the Plan for Closing Agnews Developmental Center

ID		Task Name	2007					
			2nd Quarter			3rd Quarter		
			Apr '07	May '07	Jun '07	Jul '07	Aug '07	Sep '07
27		62 Properties Receive Certificates of Occupancy						
28		SB 962 Homes						
29		Draft Legislation						
30		SB 962 Introduced						
31		SB 962 Legislation effective 1/1/2006 - Pilot Project						
32		RCs Draft and Issue RFPs for service providers						
33		Prospective licensees program plans submit to DDS by RCs						
34		Facilities certification letters issued						
35		IA for evaluation of project developed						
36		Homes developed by BAHF						
37		Develop Consumers' Individual Health Care Plans						
38		Transition Consumers into homes						
39		Project evaluation contractor selected						
40		Monitoring of individuals placed in homes						
41		Evaluation report to Legislature of pilot						
42		SB 962 sunsets unless extended						
43		Family Teaching Homes (FTH)						
44		Assembly Bill 2100 Enacted						
45		Draft FTH Regulations						
46		Promulgate Regulations						
47		Health Services						
48		Establish Dental Coordinator Positions						
49		Implement Expanded Nursing Assessment Components						
50		Implement Expanded Nursing Assessment						
51		Develop Individual Health Care Plan						
52		Implement Individual Health Care Plan						
53		Develop Risk Assessment Tool						
54		Implement Risk Assessment Tool						
55		Establish Agnews Outpatient Clinic						
56		Provide Service Through Agnews Outpatient Clinic						

A check indicates a completed task.
May 2007

Major Implementation Steps and Timelines


























Report on the Plan for Closing Agnews Developmental Center

ID		Task Name	2007					
			2nd Quarter			3rd Quarter		
			Apr '07	May '07	Jun '07	Jul '07	Aug '07	Sep '07
57		Establish CIRT Teams						
58		Contract with Telecare for crisis facility						
59		Continue the development of capacity building with health plans						
60		Establish contracts for mental health and dental services						
61		Provide service delivery monitoring and oversight						
62								
63		State Employees in the Community						
64		Draft Legislation						
65		Introduce AB 1378						
66		AB 1378 effective 1/1/2006						
67		DDS-Labor Relations notice impacted unions of change in working conditions and offer to meet and confer/discuss.						
68		DDS establishes negotiating team						
69		DDS initiate survey of regional centers regarding need for State employees for use in transition to community.						
70		DDS-Agnews analyze survey results to determine bargaining positions, number of unions impacted, notice additional unions if necessary						
71		DDS—Agnews/Regional Centers develop contracts for use of state employees and reimbursement						
72		DPA and DDS meet with unions to negotiate /discuss use of State employees						
73		Agnews deploys up to 200 State employees						
74		Quality Management System						
75		Establish QMS Commission						
76		Provider - Tools						
77		Complete Provider Expectations document						
78		Draft QSR expectations						
79		Complete QSR Manual						
80		Draft and Pilot QSR monitoring tools						
81		Complete QSR monitoring tools						
82		Draft QSR and monitoring tools Training Manual						
83		Pilot QSR and monitoring tools Training Manual						

A check indicates a completed task.
May 2007

Major Implementation Steps and Timelines












Report on the Plan for Closing Agnews Developmental Center

ID		Task Name	2007					
			2nd Quarter			3rd Quarter		
			Apr '07	May '07	Jun '07	Jul '07	Aug '07	Sep '07
84		Consumer - Tools						
85		Develop, pilot test, and finalize Service Coordinator Tool						
86		Develop, pilot, and finalize Behavior Plan Review tool						
87		Develop, pilot test and DRAFT a Quality Snapshot tool						
88		Develop, pilot, and finalize Nurse Health Review tool						
89		Develop, pilot, and finalize Bay Area Project staff tool						
90		Xenologic Contract						
91		Completion of NCI Consumer Survey Year One						
92		Completion of NCI Family Satisfaction Survey Year One						
93		Final reports on both Consumer and Family Surveys						
94		Develop contract and Scope of Work for Year Two						
95		Final Report Year Two Surveys						
96		Community Development team Meetings						
97		CMS final report due on Grant						
98		Business Management Team						
99		Identify and support employees' personal needs to plan for future employment or retirement						
100		Develop a plan to secure and protect Agnews' property throughout closure						
101		Protocols in process to secure and protect Agnews' property throughout closure						
102		Develop a process to ensure timely notification to stakeholders and appropriate entities regarding closure activities						
103		Protocols in process to ensure timely notification regarding closure						
104		Plan for inventory communications and IT equipment, determine and develop a plan, and effectuate disposition						
105		Create website for DCs containing policies and procedures for inventory of communications, and IT equipment						
106		Manage Workers' Compensation cases, and preserve and transfer active and inactive cases including Stockton DC						
107		Plan for purge and preserve Agnews' records as appropriate						
108		Protocols in process for purge and preserve records						
109		Develop process to move personal property with the consumer						

**A check indicates a completed task.
May 2007**

Major Implementation Steps and Timelines

Report on the Plan for Closing Agnews Developmental Center

ID		Task Name	2007					
			2nd Quarter			3rd Quarter		
			Apr '07	May '07	Jun '07	Jul '07	Aug '07	Sep '07
110		Protocols in process to move personal property with consumer						
111		Project, plan, and manage fiscal resources thru closure						
112		Plan and facilitate consolidation of programs and services as population declines, including property leases						
113		Inventory, store, distribute state surplus property - supplies						
114		Create website for DCs containing policies and procedures for inventory, store-distribute state surplus property supplies						
115		Develop a process to properly handle all trust account transactions during closure and forward balances at the time of discharge						
116		Inventory and arrange for proper disposal of hazardous materials						
117		Inventory and preserve historical items						
118		Develop a plan to maintain Agnews' property during warm shutdown						
119		Maintain physical plant during warm shutdown						

A check indicates a completed task.
May 2007

Fiscal Update

DEPARTMENT OF DEVELOPMENTAL SERVICES
Plan to Close Agnews Developmental Center

BUDGET BY FISCAL YEAR

	Base 2004-05	2006-07 May Revision CY 2005-06	2007-08 May Revision CY 2006-07	2007-08 May Revision BY 2007-08	2008-09	2009-10	2010-11
<u>FISCAL IMPACT BY ISSUE</u>							
<u>Developmental Centers</u>							
1. Agnews Budget Base	\$100,214,000	\$92,402,000	\$83,033,000	\$73,754,000	\$0	\$0	\$0
2. Placements Into the Community	-2,502,000	-9,654,000	351,000	-12,722,000	0	0	0
3. Consumer Transfers to Other DCs	0	0	0	-430,000	0	0	0
4. State Employees in the Community	0	682,000	3,758,000	9,459,000	18,527,000	18,527,000	485,000
5. Administrative Staff for Closure	0	0	0	0	440,000	0	0
6. Warm Shut Down	0	0	0	0	4,348,000	0	0
7. Foster Grandparent/Senior Companion Program	0	0	0	0	-399,000	0	0
8. Staff Costs for Closure Plan	0	201,000	716,000	4,918,000	163,000	0	0
9. Facility Preparation	0	0	0	73,000	0	0	0
10. Consumer Relocation Costs	0	0	0	105,000	0	0	0
11. Regional Resource Development Projects	0	0	0	0	937,000	937,000	937,000
12. Agnews Staffing Plan	0	3,231,000	0	731,000	0	0	0
Sub-Total, Developmental Centers	\$97,712,000	\$86,862,000	\$87,858,000	\$75,888,000	\$24,016,000	\$19,464,000	\$1,422,000
General Fund	51,610,000	45,888,000	44,822,000	35,569,759	5,441,000	808,000	808,000
Other	46,102,000	40,974,000	43,036,000	40,318,241	18,575,000	18,656,000	614,000
<u>Regional Centers</u>							
13. Community Placement Plan	\$27,798,000	\$21,511,000	\$26,076,000	\$52,652,000	\$519,000	\$519,000	\$519,000
14. Placement Continuation	5,279,000	9,442,000	14,314,000	32,823,000	95,766,000	95,936,000	95,936,000
Sub-Total, Regional Centers	\$33,077,000	\$30,953,000	\$40,390,000	\$85,475,000	\$96,285,000	\$96,455,000	\$96,455,000
General Fund	29,667,000	27,543,000	34,981,000	65,261,000	66,413,000	66,502,000	66,502,000
Other	3,410,000	3,410,000	5,409,000	20,214,000	29,872,000	29,953,000	29,953,000
GRAND TOTAL	\$130,789,000	\$117,815,000	\$128,248,000	\$161,363,000	\$120,301,000	\$115,919,000	\$97,877,000
(Please see pages G-7.2 to G-7.4 for detail.)	General Fund 81,277,000	73,431,000	79,803,000	100,830,759	71,854,000	67,310,000	67,310,000
	Other 49,512,000	44,384,000	48,445,000	60,532,241	48,447,000	48,609,000	30,567,000

<u>CHANGE FROM PRIOR FISCAL YEAR</u>							
GRAND TOTAL	Total	-\$12,974,000	\$10,433,000	\$33,115,000	-\$41,062,000	-\$4,382,000	-\$18,042,000
	General Fund	-7,846,000	6,372,000	21,027,759	-28,976,759	-4,544,000	0
	Other	-5,128,000	4,061,000	12,087,241	-12,085,241	162,000	-18,042,000
Developmental Centers	Total	-\$10,850,000	\$996,000	-\$11,970,000	-\$51,872,000	-\$4,552,000	-\$18,042,000
	General Fund	-5,722,000	-1,066,000	-9,252,241	-30,128,759	-4,633,000	0
	Other	-5,128,000	2,062,000	-2,717,759	-21,743,241	81,000	-18,042,000
Regional Centers	Total	-\$2,124,000	\$9,437,000	\$45,085,000	\$10,810,000	\$170,000	\$0
	General Fund	-2,124,000	7,438,000	30,280,000	1,152,000	89,000	0
	Other	0	1,999,000	14,805,000	9,658,000	81,000	0

DEPARTMENT OF DEVELOPMENTAL SERVICES
Plan to Close Agnews Developmental Center

COSTS TO CLOSE AGNEWS DEVELOPMENTAL CENTER

FISCAL SYNOPSIS

		Base 2004-05	2006-07 May Revision for CY 2005-06	2007-08 May Revision for CY 2006-07	2007-08 May Revision for BY 2007-08	2008-09	2009-10	2010-11
DEVELOPMENTAL CENTERS								
1. Agnews Budget Base	Total	\$100,214,000	\$92,402,000	\$83,033,000	\$73,754,000	\$0	\$0	\$0
Includes the costs related to the base operations of Agnews	<i>General Fund</i>	52,923,000	49,154,000	44,237,000	39,347,759	0	0	0
including personal services, operating expenses, and	<i>Other</i>	47,291,000	43,248,000	38,796,000	34,406,241	0	0	0
equipment costs.	PYs	1173.0	1187.0	1057.0	1046.0	0.0	0.0	0.0
Year Beginning Population		376	327	280	204	0	0	0
2. Placements Into the Community	Total	-\$2,502,000	-\$9,654,000	\$351,000	-\$12,722,000	\$0	\$0	\$0
Includes the savings resulting from the relocation of Agnews	<i>General Fund</i>	-1,313,000	-5,067,000	203,000	-6,787,000	0	0	0
residents into the community.	<i>Other</i>	-1,189,000	-4,587,000	148,000	-5,935,000	0	0	0
	PYs	0.0	-122.0	-16.0	-158.0	0.0	0.0	0.0
	Placements	-52	-63	-70	-188	0	0	0
	Deaths		-10	-6	-6	0	0	0
3. Consumer Transfers to Other DCs	Total	\$0	\$0	\$0	-\$430,000	\$0	\$0	\$0
Includes the savings resulting from the transfer of 10	<i>General Fund</i>	0	0	0	-229,000	0	0	0
Agnews residents to other Developmental Centers.	<i>Other</i>	0	0	0	-201,000	0	0	0
	PYs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Population	0	0	0	-10	0	0	0
4. State Employees in the Community	Total	\$0	\$682,000	\$3,758,000	\$9,459,000	\$18,527,000	\$18,527,000	\$485,000
Includes costs for direct support services and clinical staff.	<i>General Fund</i>	0	0	0	129,000	259,000	259,000	259,000
After closure in 2007-08 costs will be transferred to	<i>Other</i>	0	682,000	3,758,000	9,330,000	18,268,000	18,268,000	226,000
Sonoma.								
5. Administrative Staff for Closure	Total	\$0	\$0	\$0	\$0	\$440,000	\$0	\$0
Includes the costs of staff needed to ensure records are	<i>General Fund</i>	0	0	0	0	440,000	0	0
transferred or stored in a confidential manner, and essential	<i>Other</i>	0	0	0	0	0	0	0
historical documents are chronicled and maintained for								
approximately 90 days.	PYs	0.0	0.0	0.0	0.0	20.0	0.0	0.0
6. Warm Shut Down	Total	\$0	\$0	\$0	\$0	\$4,348,000	\$0	\$0
Includes the staff and operating expenses to maintain the	<i>General Fund</i>	0	0	0	0	4,348,000	0	0
Agnews facility, including security, utilities and supplies for	<i>Other</i>	0	0	0	0	0	0	0
approximately one year.	PYs	0.0	0.0	0.0	0.0	25.0	0.0	0.0
7. Foster Grandparent/Senior Companion Program	Total	\$0	\$0	\$0	\$0	-\$399,000	\$0	\$0
Includes savings for the Foster Grandparent and Senior	<i>General Fund</i>	0	0	0	0	-318,000	0	0
Companion Programs that will be transferred to the regional	<i>Other</i>	0	0	0	0	-81,000	0	0
center system for continuation of services.	PYs	0.0	0.0	0.0	0.0	-1.0	0.0	0.0
8. Staff Costs for Closure Plan	Total	\$0	\$201,000	\$716,000	\$4,918,000	\$163,000	\$0	\$0
Includes costs for staff transition, staff training, staffing	<i>General Fund</i>	0	105,000	382,000	2,624,000	163,000	0	0
escorts for transportation of clients, etc.	<i>Other</i>	0	96,000	334,000	2,294,000	0	0	0

			Base 2004-05	2006-07 May Revision for CY 2005-06	2007-08 May Revision for CY 2006-07	2007-08 May Revision for BY 2007-08	2008-09	2009-10	2010-11
9.	Facility Preparation	Total	\$0	\$0	\$0	\$73,000	\$0	\$0	\$0
	Includes the costs associated with preparing Sonoma to receive Agnews residents.	<i>General Fund</i>	0	0	0	39,000	0	0	0
		<i>Other</i>	0	0	0	34,000	0	0	0
10.	Consumer Relocation Costs	Total	\$0	\$0	\$0	\$105,000	\$0	\$0	\$0
	Includes costs associated with relocation of clients, such as moving vans, transportation vehicles, etc.	<i>General Fund</i>	0	0	0	56,000	0	0	0
		<i>Other</i>	0	0	0	49,000	0	0	0
11.	Regional Resource Development Projects	Total	\$0	\$0	\$0	\$0	\$937,000	\$937,000	\$937,000
	Includes costs to relocate the RRDP due to Agnews closure.	<i>General Fund</i>	0	0	0	0	549,000	549,000	549,000
	The existing RRDP costs are transferring to Sonoma for administrative purposes.	<i>Other</i>	0	0	0	0	388,000	388,000	388,000
		PYs	0.0	0.0	0.0	0.0	12.0	12.0	12.0
12.	Agnews Staffing Plan	Total	\$0	\$3,231,000	\$0	\$731,000	\$0	\$0	\$0
	Includes costs for non-level-of-care staff in various program areas to ensure adequate staff is maintained during the closure process, as well as maintaining the health and safety of the residents.	<i>General Fund</i>	0	1,696,000	0	390,000	0	0	0
		<i>Other</i>	0	1,535,000	0	341,000	0	0	0
		PYs	0.0	43.0	5.0	10.0	0.0	0.0	0.0
Total Developmental Centers			\$97,712,000	\$86,862,000	\$87,858,000	\$75,888,000	\$24,016,000	\$19,464,000	\$1,422,000
		<i>General Fund</i>	51,610,000	45,888,000	44,822,000	35,569,759	5,441,000	808,000	808,000
		<i>Other</i>	46,102,000	40,974,000	43,036,000	40,318,241	18,575,000	18,656,000	614,000
		PYs	1,173.0	1,108.0	1,046.0	898.0	56.0	12.0	12.0
	Year Ending Population		324	254	204	0	0	0	0

REGIONAL CENTERS									
13.	Community Placement Plan								
	A) Operations	Total	\$3,422,000	\$6,685,000	\$7,845,000	\$8,407,000	\$519,000	\$519,000	\$519,000
	Includes costs for CPP administration, service coordination, clinical, and resource development staff.	<i>General Fund</i>	3,422,000	6,428,000	6,954,000	7,300,000	438,000	438,000	438,000
		<i>Other</i>	0	257,000	891,000	1,107,000	81,000	81,000	81,000
	B) Purchase of Services (POS)	Total	\$24,376,000	\$14,826,000	\$18,231,000	\$44,245,000	\$0	\$0	\$0
	Includes costs for placements into the community including property management and leases as applicable, traditional and specialized service start-up, non-profits to develop and manage properties, and health and behavioral health treatment and crisis services.	<i>Placements</i>	52	63	70	188	0	0	0
		<i>General Fund</i>	21,853,000	13,664,000	17,234,000	32,604,000	0	0	0
		<i>Other</i>	2,523,000	1,162,000	997,000	11,641,000	0	0	0
	(FYI: State Employees in the Community costs included in POS above)		(0)	(251,000)	(2,508,000)	(7,663,000)	(0)	(0)	(0)
	Total Community Placement Plan (A+B)	Total	\$27,798,000	\$21,511,000	\$26,076,000	\$52,652,000	\$519,000	\$519,000	\$519,000
		Placements	52	63	70	188	0	0	0
		<i>General Fund</i>	25,275,000	20,092,000	24,188,000	39,904,000	438,000	438,000	438,000
		<i>Other</i>	2,523,000	1,419,000	1,888,000	12,748,000	81,000	81,000	81,000

		Base 2004-05	2006-07 May Revision for CY 2005-06	2007-08 May Revision for CY 2006-07	2007-08 May Revision for BY 2007-08	2008-09	2009-10	2010-11
14. Placement Continuation								
A) Operations	Total	\$70,000	\$297,000	\$309,000	\$338,000	\$2,188,000	\$2,358,000	\$2,358,000
	Includes costs for additional service coordination.							
	General Fund	37,000	125,000	130,000	142,000	677,000	766,000	766,000
	Other	33,000	172,000	179,000	196,000	1,511,000	1,592,000	1,592,000
B) Purchase of Services (POS)	Total	\$5,209,000	\$9,145,000	\$14,005,000	\$32,485,000	\$93,578,000	\$93,578,000	\$93,578,000
	Includes costs for CPP placements and specialized services							
	Placements	49	44	40	70	188	0	0
	and housing.							
	General Fund	4,355,000	7,326,000	10,663,000	25,215,000	65,298,000	65,298,000	65,298,000
	Other	854,000	1,819,000	3,342,000	7,270,000	28,280,000	28,280,000	28,280,000
	(FYI: State Employees in the Community costs included in POS above)	(0)	(0)	(0)	(0)	(16,488,000)	(16,488,000)	(0)
Total Placements Continuation (A+B)	Total	\$5,279,000	\$9,442,000	\$14,314,000	\$32,823,000	\$95,766,000	\$95,936,000	\$95,936,000
	Prior Year Placements	49	44	40	70	188	0	0
	General Fund	4,392,000	7,451,000	10,793,000	25,357,000	65,975,000	66,064,000	66,064,000
	Other	887,000	1,991,000	3,521,000	7,466,000	29,791,000	29,872,000	29,872,000
Total Regional Centers	Total	\$33,077,000	\$30,953,000	\$40,390,000	\$85,475,000	\$96,285,000	\$96,455,000	\$96,455,000
	General Fund	29,667,000	27,543,000	34,981,000	65,261,000	66,413,000	66,502,000	66,502,000
	Other	3,410,000	3,410,000	5,409,000	20,214,000	29,872,000	29,953,000	29,953,000
TOTAL: DEVELOPMENTAL CENTERS AND REGIONAL CENTERS	Total	\$130,789,000	\$117,815,000	\$128,248,000	\$161,363,000	\$120,301,000	\$115,919,000	\$97,877,000
	General Fund	81,277,000	73,431,000	79,803,000	100,830,759	71,854,000	67,310,000	67,310,000
	Other	49,512,000	44,384,000	48,445,000	60,532,241	48,447,000	48,609,000	30,567,000
	PYs	1,173.0	1,108.0	1,046.0	898.0	56.0	12.0	12.0
	Year Ending Population	324	254	204	0	0	0	0
	Placements	52	63	70	188	0	0	0
	Prior Year Placements	49	44	40	70	188	0	0